Canada-Newfoundland & Labrador LMDA/EBSM Evaluation Evaluation of Support Measures

Final Report

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Executive Summary

The Government of Canada and the Government of Newfoundland and Labrador recognize the need for an integrated approach to economic development as well as greater autonomy among regions in economic planning and development. Furthermore, both levels of government recognize the need to implement measures to achieve job creation based on meeting EI legislation requirements, provincial economic development objectives and regional social and economic development priorities.

For this approach to produce long-term results, integrated social and economic development efforts need to create a climate that nurtures and supports education, entrepreneurship and enterprise development. This, in turn, will contribute to wealth generation and job creation. At the regional level, successful enterprise development depends on zonal boards which will create and implement strategies of economic diversification, encourage the growth of existing businesses and the establishment of new ones, while matching employment programs with existing and planned opportunities in each region.

To support and encourage this approach, the Labour Market Development Agreement has been designed to deliver effective, responsive and flexible financial and professional support programs to be delivered at the pan-provincial and regional levels. As well, both levels of government and their subsidiary agencies must work to ensure these programs and services are delivered in adherence to the strategic plans and social needs of each region.

Under the Labour Market Development Agreement, the provincial government and the Government of Canada play equal roles in the design of and decision-making about active employment measures and services from the *Employment Insurance Act* and aspects of the National Employment Services. A joint federal/provincial Management Committee oversees the administration and implementation of the LMDA.

For purposes of this evaluation, two support measures were evaluated: Employment Assistance Services (EAS) and Local Labour Market Partnerships (LLMP). EAS is delivered in some areas through community organizations for two primary reasons:

- These organizations are in a better position to offer employment supports to members of particular communities because of their client and community knowledge and their specialized skills, and
- Budget cuts have led HRDC to search for innovative ways of developing their strategic services.

EAS contracts accounted for approximately $10 million of annual EI Part II expenditures in the Newfoundland/Labrador Region in 1998/99. There are approximately 50 outreach EAS service sites in the province, operating in smaller, and to some extent, more remote communities, as well as in towns where the demand for HRDC services exceeds the existing delivery capacity of HRDC.

LLMP contracts also accounted for approximately $10 million of annual EI Part II expenditures in this region in 1998/99. More than 500 LLMP projects have been approved and/or implemented since the inception of the program. The program is intended to encourage and enable regions and communities to take responsibility for their own employment-related needs.

The objective of this evaluation was to undertake a formative evaluation of the Support Measures (SM) in order to provide relevant decision-making information for the LMDA Committee for use in formulating policies and providing direction, and as a decision-making tool for the regional LMDA managers. The report also is intended to provide information for input to the parliamentary monitoring and assessment report for fiscal 2000/01.

The approach and methodology of this evaluation used multiple lines of evidence, which were obtained from SM stakeholders. Stakeholders included SM-eligible clients, employers, community partners and other government agencies and departments. Perceptions of EAS operators, LLMP proponents and clients were collected through completion of the following:

239 case managed surveys

311 moderate need surveys

10 EAS case studies

52 LLMP case studies

six focus groups

39 LLMP related interviews with key informants, and

34 EAS related interviews with key informants.

Data was gathered throughout the province relatively proportionally to the province's population distribution.

Based on this multiple lines of evidence approach, the following conclusions were reached.

EAS

The majority of the 50 EAS third party outreach offices provide employment-assisted services to the general unemployed public; some provide services to clients with special needs. In general, the outreach offices, as now constructed and administered, provide a valuable effective service to both rural and urban residents of Newfoundland and Labrador who are unemployed. According to the majority of focus group participants, the outreach counselors are knowledgeable, sympathetic and effective. Any shortcomings on their part, in general, are perceived to be a result of an inability to help the client achieve the end-result, a job, due to lack of employment opportunities in the region. In other words, these shortcomings are not a result of the methods used to help provide access to a variety of human resource services. The most commonly heard comments regarding EAS service was that the counselor had helped the client gain a sense of self-worth and

was "there for the client every step of the way". While difficult to quantify, this positive attitude is critical in helping clients make difficult career and life decisions.

A number of observations regarding EAS can be made which may help in decision making and policy formulation.

- In general, the greater the distance and isolation from an urban centre, the more dependent is the client and community on the EAS outreach office. A corollary to this is the greater the distance and isolation from an urban centre, the broader the services offered by the EAS outreach office.

- Co-location, where it exists, has broken down barriers among agencies, provided better "one-stop" human resource services and is more client focused.

- In general, sponsors in rural areas have little in common or little interaction with the EAS offices that serve the general population, other than through their role as administrators of wages and benefits. Although EAS outreach staff, for the most part, do not see this as an issue, several commented on "the lack of synergy" between the sponsor and the outreach office. Opportunity may exist for the EAS outreach staff to be better managed or, at least, for the two parties to more meaningfully and effectively interact on a more regular basis.

- Sponsors of EAS outreach offices directed at a client base with special needs have greater interaction with their EAS outreach offices and provide greater support than sponsors of EAS outreach offices that serve the general population.

- Sponsors in urban areas have greater interaction with their EAS outreach offices and provide greater support than those in rural areas.

- Inconsistency exists as to the administrative identity and structure of EAS offices. This does cause some confusion among EAS outreach workers and some of their clients as to the role and function of the EAS outreach offices. Some offices are not associated with HRDC and have their own distinct identity. Others resemble a storefront version of HRDC and clients as well as employees have difficulty distinguishing between HRDC and EAS outreach offices. Other EAS outreach offices exist somewhere in between with no clear identity. This causes confusion for the client in terms of the types of services that can be provided by the EAS outreach office. For those offices that resemble HRDC offices, some clients assume that these offices deliver HRDC policies and programs.

- CATS is an effective management tool in terms of tracking quantitative information, but it has not been used for measuring progress towards goals or objectives that may have been established by individual EAS outreach offices. Much of the success of EAS outreach offices is through its qualitative client services, which cannot be captured except through an evaluation such as this. Given that CATS is solely a tracking system, its effectiveness could be improved by sufficient training for EAS outreach workers to ensure consistency in interpreting CATS output. Assessment of

single offices is possible using the system, but inter-office comparisons are difficult given the nature of the data. Longitudinal assessment of single offices may also be problematic since personnel changes over time could change the approach to entering data, thereby making comparisons difficult.

- Many EAS outreach co-ordinators believe that CATS is of limited value in assessing the progress of all clients, but it is particularly inadequate in assessing the progress of the disabled. It is not designed with the challenges facing such individuals in mind. Furthermore, some contractors believe that any third-party reading of the data would be misinterpreted and, consequently, they do not use the system.

- In locations where the Department of Human Resources and Employment and EAS outreach offices work together, federal and provincial coordination in terms of regional priorities, policies and decision making has improved. However, a few of the provincial HRE offices feel that some of their issues and concerns go unheeded.

- Those clients who favourably view the EAS outreach offices' approach of using action plans, see it as an effective tool in helping them start their decision making process.

- Most EAS outreach clients expressed satisfaction with the job search centres.

- Moderate need clients tended to have attained a higher education level than case managed clients and more moderate need clients felt comfortable with and used computers more in their job search than did case managed clients. However, some case managed clients had become familiar with computers as a result of the EAS outreach office, which is an unintended outcome (for definitions of moderate need and case managed, please refer to Section 2.4).

- Of the case managed clients who were surveyed, the EAS services most frequently used, in order of most used to least used, were information on financial assistance and post-secondary education/training programs, followed by job search/interview techniques, employment and career counseling and resume and cover letter application. Among clients who were surveyed, services received by these clients were all ranked well with the top three being: information on training and education programs, career counseling and job bank kiosks/job postings. Of the moderate need clients, the services most frequently used, in order of usage, were information on financial assistance, resume and cover letter application, and job search/interview techniques. Among this interview group, the top ranked services received were: Internet job listings, career counseling and information on training and education programs.

- The least valuable services, as reported by the EAS clients who were surveyed, were workshops on job search skills and job finding clubs.

- Many clients viewed the location of the EAS outreach offices as positive stating that they would not have made the effort to drive/fly to a HRCC office unless it was critical. A corollary to this is that many EAS clients would not make the effort to drive/fly to a

HRCC office because they felt unwelcome once there. Thus, EAS outreach clients said they are being more effectively and efficiently served by EAS outreach offices than previously because of its convenient location and quality of service.

- EAS outreach clients who attended the focus groups felt that the EAS offices were not properly marketed and, therefore, not penetrating the regions to the degree that they could or should be.

- Although the client base of many EAS outreach offices, in many cases, was originally fisheries related, it has changed during the last few years to capture a broader spectrum which includes services and construction. Although the information is qualitative, EAS outreach workers who were interviewed for this evaluation stated they are seeing a greater number of younger clients.

- The contracts between EAS outreach offices and the HRCCs appear to be fairly generic. If the focus of the EAS outreach offices is to change in any way, the contracts should perhaps specify the nature and extent of the services to be provided by the EAS outreach offices.

- Rural EAS outreach clients generally are being directed to activities which make them more employable. However, the big gap in rural Newfoundland and Labrador is employment opportunities. This results in EAS outreach clients securing skills that may provide them with a better chance of obtaining jobs elsewhere.

LLMP

Of the more than 500 projects funded through LLMP, 52 were profiled for this evaluation. Activities undertaken as part of the LLMP vary widely. This is partially a result of the flexibility of the LLMP criteria. Therefore, it is difficult to judge individual LLMPs using a standardized format. However, in general, LLMP project proponents cited flexible guidelines as the most positive feature of the program. Projects and programs previously ineligible for funding by government programs, but necessary in achieving long term economic development goals were eligible under the LLMP guidelines.

A number of observations can be made which may help in decision making and policy formulation:

- Generally, pan provincial projects provide direct and immediate short-term employment.

- By and large, pan provincial projects are better focused, coordinated and skills-enhancing than previous "make work" type projects.

- Many pan provincial projects tie communities together, but because of the diverse and large geographic area that these projects cover, they take longer to start up and implement than regional projects and, therefore, need more time, guidance, flexibility and long-term funding.

- The need in rural Newfoundland and Labrador is for long-term community economic development initiatives and the creation of a positive economic climate. Based on standard and accepted community economic development principles, both of these initiatives generally take several years to plan, implement and generate results. Therefore, many regional project initiatives are not likely to create immediate employment.

- Projects are generally based on established zonal board strategic plans and HRCC business plans and are coordinated through the LMDA regional meetings. This helps ensure that projects meet regional economic development interests. However, there appears to be an imbalance in favour of long-term economic development versus immediate employment.

- An effective balance is needed between pan provincial and regional initiatives in order to address and integrate different economic development approaches (e.g. projects resulting in short-term as well as long term employment opportunities).

- Zonal boards have extensively used LLMP to undertake specific projects related to implementation of their SEP's (strategic economic plans).

- Some zonal boards have minimal staff and projects, thereby creating inconsistency in regional development. This is both a result of some boards being more energetic than others in pursuing initiatives and fewer genuine opportunities within some regions.

- The flexibility of LLMP criteria allows for supplementary funding of zonal boards and other organizations. Without funding, zonal boards could not exist, as volunteers recognize that they have neither the time nor expertise to carry out the duties of key zonal board personnel.

- Because of the greater geographic scope of zonal boards compared with previous development associations, economic development is being undertaken on a sector approach rather than more generic community development approach. This has resulted in zonal boards hiring technical experts rather than community development generalists. In general, this has been seen as a positive direction by the zonal boards and demonstrates a maturation process in economic development throughout rural Newfoundland and Labrador. However, depending on the region and its state of maturation, there still is a need for on-going basic community economic development.

- Many project sponsors and zonal board executive directors remarked on the changing economic development approach in rural Newfoundland and Labrador. Previously, organizations and individuals looked to government for money, now they are looking for technical support and strengthening partnerships to undertake projects together.

- Little recognition exists by LLMP project proponents at the delivery level that HRE and other provincial government departments are partners with HRDC. HRE has a low to non-existent profile.

- The partner approach works well in terms of coordinating interdepartmental as well as regional and provincial priorities. However, a trade-off sometimes occurs between coordination and fast and efficient client service. Coordination takes time and effort, which sometimes diminishes the partners' ability to provide fast efficient service.

- A number of regional economic development projects are tourism related. It is be questionable as to whether all regions can support the degree of infrastructure and effort that is now being directed at this sector. Greater emphasis should perhaps be placed at identifying other sectors of growth.

- Although regional autonomy is important, effort needs to be directed at communicating regional strategies that are linked together so as to avoid unnecessary duplication of infrastructure or projects among regions.

- A majority of LLMP case studies used best practices as they relate to training, strategic plans and appropriate economic development activities for a region. However, only a few of the case studies used best practices as they relate to specific measurable goals, a developmental strategy or stakeholder consultation.

- A significant number of LLMP case studies concerned projects that were directed at economic development activities. Very few of the project types identified the strengths of the community, built or supported a self-sufficient community or developed a local continuum of service. Given the economic development nature of LLMPs, this imbalance is neither surprising nor cause for concern.

Management Response

Formative Evaluation of EBSMs under the Canada-Newfoundland and Labrador Agreement on Labour Market Development Agreement

The Canada-Newfoundland/Labrador Agreement on Labour Market Development (LMDA) is an agreement between the Government of Canada and the Government of Newfoundland and Labrador relating to the co-management of federal employment programs and services specifically under EI Part II.

Section 12 of the LMDA outlines the requirement of the Labour Market Partners to co-operate in developing and implementing a two-phase evaluation framework. To this end the Management Committee is responsible for the completion of all evaluations related to the employment benefits and support measures. The Management Committee is pleased that the first phase of the evaluation process, namely the formative evaluation, has been completed. The formative evaluation is comprised of three associated reports. The first report (June 2000) covers three Employment Benefits, i.e., Targeted Wage Subsidy (TWS), Self-Employment Benefit (SEB) and Job Creation Partnership (JCP). The second report (June 2000) deals with the Training Benefit (currently Skills Development), and the final report (June 2001) deals with Support Measures, i.e., Local Labour Market Partnerships (LLMP) and Employment Assistance Services (EAS).

The evaluation evidence from the three formative evaluation reports completed to date has shown that in the near term, clients served by the employment benefits and support measures have been moderately successful in achieving their employment goals. Labour Market Development Agreement accountability targets for unpaid EI benefits and client returns to employment have been met in each fiscal year since the inception of the agreement. The Management Committee anticipates that the summative evaluation report, which will contain more definitive evidence, will confirm these findings in the longer term. The Management Committee looks forward to the commencement of the summative evaluation in 2002.

The formative evaluation reports have identified many specific findings. The Management Committee suggests that we can deal with these findings under general categories: the functioning of the co-management relationship, findings related to programs/services and findings related to client impacts. A joint Management Committee response to each group of findings is reported below:

Co-management:

The evaluation reports suggest that "under the co-management approach, it is clear that each government has been able to pursue its respective priorities." The Management Committee suggests that this is perhaps one of the most fundamental achievements of this co-managed agreement, given the unique cultures and priorities of both levels of government.

The Management Committee also feels that the effectiveness of the co-management approach is primarily attributable to the level of communication and co-operation among partners.

The reports suggest that co-management has increased administrative responsibilities in terms of business and financial planning. The Management Committee feels that it has resulted in a more targeted response to the needs and opportunities of unemployed individuals. The Management Committee also believes that these pressures are abating as the partners become more knowledgeable of each other's programs and collective priorities.

Programs & Services Finding:

The evaluation evidence suggests that eight out of ten individuals who received services from the HRCCs and Employment Assistance Services offices had a high level of satisfaction with that service. The Management Committee feels that this evidence reflects a strong service commitment of HRCC staff. The committee also believes that despite a challenging economic climate in many rural parts of the province, HRCC staff are making a valuable contribution to the lives of individuals in these communities.

With respect to the training benefit two findings are noteworthy from the Management Committee's perspective: Ninety percent of the sample of training participants indicated that participation in the training benefit made them more employable. However, it is recognized that a lack of participant information at this early stage of evaluation, particularly with two and three year programs, did not allow a complete analysis of the impact of training on employment. The Management Committee is interested in the long-term impact of training on subsequent employment gains and will examine this issue in the summative evaluation. The Management Committee has also noted that graduation rates are somewhat unclear given the limitations of administrative data. This issue must be addressed so we can more closely track individual impacts resulting from training.

Participant surveys highlight that the support measures offered were well received by program participants. The Management Committee feels that the support measures are essential elements of the LMDA. The measures allow the Management Committee to provide support to incremental initiatives that have many positive impacts for individuals and communities throughout the province. The evaluation suggested that Employment Assistance Services participants welcome the convenience of their being served in their geographic area. "The main tangible benefit emerging from the first three years of EAS seems clearly to lie in the improved employability of the client group." However, additional evidence is needed to determine the overall impact on employment gains that these services are providing. This work will be undertaken in the summative stage of the evaluation process.

Local Labour Market Partnerships (LLMPs) have also furnished the Management Committee with the capacity to engage numerous community partners in various incremental activities. The evaluation evidence suggests many valuable activities have taken place, which, in the

absence of LLMP, might not have come to fruition. The Management Committee feels that the employment benefits of these initiatives will be realised in the longer term.

Client Impacts:

The evaluation evidence suggests that SEB and TWS participants experience positive employment gains in the post-program period. This incremental impact shows that investment in these benefits is a prudent expenditure of public funds. The Management Committee desires to maximize the potential of these benefits while recognizing their finite growth potential, given the modest employer and market base in the province.

The evaluation indicates that JCP participants did not realise significant post-program employment gains, however, JCP earnings did improve the lives of these participants, their families and the communities in which they live. These results must be interpreted with the knowledge that JCP participants had the lowest levels of pre-program earnings and education of all participant groups. Given this information, the management committee submits that the impact of JCPs on longer-term employment gains must be established before a judgement can be made about the overall utility of JCP participation.

The engagement of Social Assistance Recipients in LMDA programs was a priority of the LMDA partners. The report outlines that these targets were met and that SARs achieved positive outcomes from the programs offered. However, the disproportionately higher level of SAR participation in JCP (compared with other interventions) and the subsequent lack of post program employment are of concern to the Management Committee. Improvement of assessment, selection and referral of SAR clients within the EBSM model is a priority of the LMDA partners. It is believed that this approach will lead to a more balanced level of participation of SAR clients in all benefits and measures. A determination of the utility and impact of this new approach should be one of the priorities of the summative evaluation.

Aspects to monitor and evaluate:

While the Management Committee is generally pleased with the findings of the three Formative Evaluation reports, challenges remain. The following is a list of LMDA dimensions that the Management Committee feels is in need of additional monitoring and evaluation: The Training Benefit report suggests that in the early stages of implementation of Negotiated Financial Assistance (NFA), there was a perception of unequal treatment of clients in terms of the levels of funding received. At the time of the evaluation, Negotiated Financial Assistance was a new process for both clients and staff alike. The problems with dissemination of information and the generally low level of understanding of the process lead to concerns on behalf of both clients and staff. The Management Committee agrees with the consultant's recommendation that this area of concern should be closely monitored to ascertain whether NFA principles are used consistently. Nevertheless, the Management Committee senses that with the passage of time, the intent of NFA has been more widely understood and accepted by all parties. The NFA issues that were identified in

the formative evaluation should however be re-examined in the summative evaluation to determine the extent to which these concerns persist.

The evaluation evidence suggests a negative employment gain for female JCP participants. This is of concern to the Management Committee who believes that JCP has much economic and social merit. Perhaps more careful targeting of JCP must take place to ensure positive impacts for participants in the post-program period. Again, the summative evaluation should provide more definitive evidence as to the long-term employment impact of JCP. In addition, decisions regarding SAR participation should not be made based on point estimates from the initial evaluation.

The evaluation report outlines a data concern associated with Targeted Wage Subsidy administrative data. While this issue has not limited the effectiveness of this benefit, the absence of reliable data for administrative and evaluation purposes may bias our assessments of success or failure, so the data must be improved. The consultant also reported that based on the employers' survey responses, a proportion of the participants would have been hired without the subsidy. The Management Committee recognizes that this finding may outline a potential weakness in the current TWS model. The Management Committee does not however feel entirely comfortable with the integrity of this initial finding. Prior to making any potential adjustments to the program, a more precise and rigorous examination of this issue must be explored.

Support measures continue to provide excellent employment assistance and partnership opportunities within the local labour market. The Management Committee considers that the increased level of funding to these activities over the initial period of the LMDA will necessitate further detailed analysis and ongoing monitoring of the effectiveness of these support measures, through the summative phase of the LMDA operational and evaluation plan.

1. Introduction

1.1 Report Outline

Section 1 provides the context for the LMDA in Newfoundland. It describes the recent performance of Newfoundland's economy over the past decade and provides some detail on the LMDA and the rationale for support measures.

Section 2 focuses on the Employment Assistance Services, provides an overview of the EAS, and a discussion of the issues and results of the evaluation. The overview describes the EAS rationale, objectives, sponsors, delivery methods, services provided, day-to-day operations, client base, and number and location of offices.

Section 3 focuses on the Local Labour Market Partnership Projects and provides an overview of the LLMP; a discussion of issues; current theory regarding best practices for community economic development and labour market clearing, and observations and results of the evaluation.

Section 4 provides the summary and conclusions.

The Appendices contain the results of the client survey, the EAS and LLMP case studies, a summary of best practices, a summary of LLMP best practices as applied to 52 case studies, the list of individuals interviewed for this study, a break-down of the focus groups held and a list of all EAS outreach offices.

1.2 Development Context

The federal and provincial governments recognize the need for an integrated approach to economic development and greater autonomy among regions in economic planning and development. Furthermore, both levels of government recognize the need to implement measures to achieve job creation based on meeting EI legislation requirements, provincial economic development objectives and regional social and economic development priorities. These approaches and initiatives are consistent with the recommendations of the 1986 Royal Commission on Employment and Unemployment, the 1992 Strategic Economic Plan (currently being updated), the 1994 Community Economic Development Task Force and the 1998 Strategic Social Plan.

In pursuing the various program initiatives, federal and provincial officials consulted as part of this study believe that funds for job creation are becoming better allocated to support strategic priorities. They also believe that initiatives are better linked to overall social and economic development needs and are resulting in meaningful work. The hope is that, in following this integrated approach, job creation funds for infrastructure will become better focused on long-term economic development and social services at the regional level.

Background reports and interviews also indicate that for this approach to produce long-term results, social development efforts need to be aimed at working simultaneously with initiatives on the economic development side, creating a climate that nurtures and supports education, entrepreneurship and enterprise development. If successful, this, in turn, would contribute to wealth generation and job creation. At the regional level, successful enterprise development depends on zonal boards continuing to create and implement strategies of economic diversification, encouraging the growth of existing businesses and the establishment of new ones, while matching educational programs with existing and planned opportunities in each region.

To support and encourage this approach, effective, responsive and flexible support systems are required at the pan-provincial level, offering both financial and professional support. As well, both levels of government and their subsidiary agencies recognize they have to work to ensure these programs and services are delivered in adherence to the strategic plans and social needs of each region.

1.3 LMDA Support Measures

The Canada-Newfoundland and Labrador Labour Market Development Agreement (LMDA), M[illegible] 24, 1997- March 31, 2002, provides the framework for implementing initiatives u[illegible]r Part II of the *Employment Insurance Act*. Under the LMDA, the province of Newfoundland and Labrador and the government of Canada play equal roles in the design and decision-making of active employment measures and services from the *Employment Insurance Act* and aspects of the National Employment Service. The design of these programs reflects the needs, circumstances and priorities in the province, and complement provincial programming in this area.

The types of programs and services available under Part II of the *Employment Insurance Act* include employment benefits and support measures. In Newfoundland and Labrador, employment benefits include targeted wage subsidies, targeted earnings supplements, self-employment assistance, job creation partnerships, and skills development. Support measures include local labour market partnerships, employment assistance services, and research and innovation.

A joint Management Committee oversees the administration and implementation of the LMDA. It is comprised of representatives from HRDC, Industry Canada and ACOA on the federal side, and on the provincial side from the Departments of Education, Human Resources and Employment, Development and Rural Renewal, and Inter-governmental Affairs. Regional Committees of the provincial and federal governments examine labour market development needs at the local level. The LMDA also promotes partnership and cooperation with other labour market partners such as employers, workers and community-based organizations.

Among the benefits expected from the LMDA are:

- In-depth Employment Counseling services, including interviews and consultations, which allow clients to identify barriers to employment and develop an action plan to return to employment;

- Easier access for unemployed workers to labour market services tailored to meet their specific needs and objectives;

- Assistance to unemployed workers to find a job and/or acquire the skills necessary for employment;

- A reduction in overlap and duplication of employment services delivered by the federal and provincial governments, resulting in a more effective and efficient delivery and operation of labour market programs and services for clients;

- Flexibility built into the process to ensure that support exists for new and innovative ideas promoting employment opportunities and economic growth at the community level; and,

- Labour market initiatives designed from the ground up, ensuring that the labour market measures have a broad range of support and complements existing employment and economic growth strategies.

1.4 Support Measures Programs Evaluated

1.4.1 Employment Assistance Services (EAS)

In Newfoundland and Labrador, HRDC delivers EAS through HRCCs in larger communities, and through community organizations in smaller communities. The use of community organizations in smaller communities is for two primary reasons:

- these organizations are believed by HRDC to be in a better position to offer employment supports to members of particular communities because they have a more intimate knowledge of local needs and are in a better position to be responsive to particular circumstances, and

- budget cuts have led HRDC to search for innovative ways of delivering their strategic services.

Employment Assistance Services are offered through agreements with sponsors, organizations and community groups, to help unemployed individuals in the community gain access to a wide range of employment related services. EAS contracts accounted for $ 9,043,607 of annual EI Part II expenditures in the Newfoundland/Labrador Region in 1997/98. It slightly rose in 1998/99 to $9,895,204 and to date $8,477,232 has been spent

in 1999/2000. There are approximately 50 outreach EAS service sites in the province, operating in smaller, and to some extent, more remote communities, as well as in towns where the demand for HRDC services exceeds the existing delivery capacity of HRDC.

1.4.2 Local Labour Market Partnerships (LLMP)

Local Labour Market Partnerships are intended to encourage and enable regions and communities to take responsibility for their own employment-related needs. LLMP is a vehicle through which regions and local HRCC offices can experiment with approaches to improve the functioning of their labour markets and address local labour force priorities. It does so by encouraging the creation of jobs and the development of employment skills as well as by supporting economic development research strategies and experimentation.

The expertise to provide job seekers with support and durable skills and the vision for improving the local labour market often rests with the social and economic agencies and community organizations resident in the community. LLMP builds on this through supportive partnership development, leadership development, communications and promotion, thereby fostering social and economic development.

Annual EI Part II expenditures on LLMP contracts have risen from $7,504,127 in 1997-98 to $9,821,707 in 1998/99 and $12,525,703 to date in 1999-2000. Over 500 LLMP projects have been approved and/or implemented since the inception of the program in 1997.

1.5 Study Objectives

The purpose of this study is to carry out a formative evaluation of the Support Measures (Employment Assistance Services and Local Labour Market Partnership/Pan Provincial Initiatives) implemented under Part II of the EI legislation and delivered under the Canada/Newfoundland & Labrador LMDA.

The overriding objective of the evaluation of the Support Measures (SM) is to provide relevant decision-making information for the LMDA Management Committee for use in formulating policies and providing direction, and as a decision-making tool for the regional LMDA managers. The report also is intended to provide information for input to the parliamentary monitoring and assessment report for fiscal 2000/01.

1.5.1 Approach and Methodology

The Terms of Reference outlines the methodological requirements and approach to the formative evaluation in some detail. Through its review of the consultants' methodology and evaluation work plan, the Joint Evaluation Committee (JEC) ensured that the evaluation is well defined, methodologically sound and capable of addressing the important issues. The consultants have followed this approach and its related methodologies.

As the fundamental goal of this evaluation is to improve the performance of the Support Measures and the resultant outcomes, this perspective calls for a focus on the future of the SM in Newfoundland and Labrador. The evaluation follows a series of tasks designed to understand what has happened to date, why it has happened this way, in what circumstances, and to which clients and other stakeholders. The individual evaluation tasks and activities provide the context for, and practical evidence of, what has happened in the Support Measures since their implementation.

A multiple lines of evidence approach is used to obtain the input of SM stakeholders. These stakeholders include SM-eligible clients, employers, community partners and government agencies and departments (those represented on the Management Committee and regional committees). Perceptions of EAS operators, LLMP proponents, employers, government officials and clients were collected through telephone interviews, in-person interviews and focus groups. Matrices[1] summarize the LLMP information collected, while case studies provide further detail in forming both the EAS evaluation and the LLMP evaluation.

The following table summarizes the application of our methodologies.

Table 1
Application of Methodologies

Support Measure	Document Review	HRDC Documents and Data	Interviews	Case Studies
Employment Assistance Services	LMDA documents and accountability framework	Assess contract arrangements with HRCC; review HRDC admin and third party data (client and financial)	Key informant interviews with LMDA partners, HRCC managers and contract liaisons, EAS operators and service providers. EAS recipients interviewed by telephone survey[2]	Mix to cover geography and service delivery types. Focus groups to collect client perceptions[3]
Local Labour Market Partnership	LMDA documents and accountability framework Best practices literature review	Review HRDC admin and third party data (client and financial)	Key informants from LMDA partners, HRCC managers and contract liaisons, LLMP proponents[4]	Best practices analysis of LLMP initiatives[5]

[1] See Appendix E for LLMP Best Practices Matrix Summary.
[2] For EAS survey results, see Appendix A.
[3] For a complete review of EAS case studies, see Appendix B; for a complete list of focus groups, see Appendix G.
[4] For a complete list of LLMP interviews, see Appendix F.
[5] For a complete list of LLMP case studies, see Appendix C.
For a list of best practices, see Appendix D.
For the LLMP Best Practices Matrix Summary, see Appendix E.

The following table summarizes the extent and geographical locations of the data/information collected.

Table 2
Summary of Data Collection/Information by Region

Location	LLMP Interviews	EAS Interviews	Focus Groups	EAS Case Studies	LLMP Case Studies	Case Managed EAS Clients Surveyed	Moderate Need Clients Surveyed
Pan-Province	7	N/A	N/A	N/A	15	N/A	N/A
Western	9	6	1	3	9	9	1
Central	7	3	1	2	8	90	45
Eastern	3	2	1	1	9	41	85
Avalon	9	20	2	3	8	161	106
Labrador	4	3	1	1	3	10	2
Total	**39**	**34**	**6**	**10**	**52**	**311**	**239**

In addition, HRDC's Client Adjustment Tracking Systems (CATS) was used directly in the evaluation to provide high level data on participation and outcomes. Some of the tables in the report were based on CATS information.

While the time period of 1997-1999 was the focus of this evaluation, primary emphasis was placed on the time period 1998-1999 because the program then was both well established and well funded.

1.5.2 Economic Context of the LMDA

Newfoundland and Labrador in the late 1990s experienced the strongest economic growth of any province. Indications of this strength are found in the "Economic Review 2000" published by the Government of Newfoundland and Labrador (Department of finance) for 1999. They include:

- Real GDP growth of 6.0% resulted from high gains in exports and capital investment, growth in advanced technology and tourism sectors, major project development, and diversified resource-based sectors;
- The value of exports grew 13.1% to $5.7 billion and capital investment increased by 21% to $3.4 billion;
- Economic gains were broadly based and included increases in offshore oil production, crab and shrimp landings, construction activity, tourism and manufacturing;
- Manufacturing gains, resulting in a record shipment value of nearly $2 billion, were largely a result of increases in fish production, newsprint and refined petroleum, and,

- Strong economic growth combined with increasing employment, higher wages and low interest rates led to an increase of 5.9%.

The province's real economic growth is expected to be 4.7% in 2000. This growth is expected to be driven by increased oil, newsprint and mineral production, higher manufacturing shipments, expanding technology industries, as well as higher public spending on infrastructure, increased tourism and other service sector activity. Employment growth is predicted to fall to 0%, with the unemployment rate expected to fall to 16% as the labour force declines. Federal and provincial tax cuts are expected to boost after-tax incomes in 2000. These tax cuts, combined with employment and wage growth is expected to expand consumer demand leading to an increase of 5.1% in retail sales and 5.7% in housing investment.

In 1999, labour market performance in Newfoundland and Labrador was the strongest in a decade. Employment was at a record high of 204,900 and was growing at a rate of 5.5%. This was the highest it had been since 1990. It was also the highest growth rate of all provinces and double the Canadian growth rate. The unemployment rate was the lowest it had been since 1989 at 16.9%. The labour market participation rate was at a record high of 56.3%. The labour force grew by 4.1% in 1999 reflecting growth in job opportunities. Job gains were broadly based, both on a regional and industry basis. Increases were recorded in the fisheries, retail trade, construction, tourism and transportation industries. Employment growth outside of the St. John's area was particularly strong at 8.1%.

Strong employment growth, combined with increased demand for skilled trades and occupations resulted in growth in average weekly earnings of 2.8% in 1999 and by 1.3% after adjusting for inflation. This was the strongest growth of all the provinces. This growth in average wages was a result of higher public and private sector wage settlements, an increased minimum wage, and employers' need to attract and retain skilled workers in light of lower unemployment rates and relatively higher wages in other parts of Canada and the United States.

Labour force and employment growth trends are influencing the composition of the labour force in Newfoundland and Labrador. In 1999, for example, 52.2% of the labour force had completed post-secondary studies compared to 43.1% in 1991. Education levels are expected to increase further as youth now entering the labour market tend to have more education than retiring workers. In addition, the demand for highly skilled labour is expected to increase over time.

The age of the province's labour force is also increasing. In 1999, 31.6% of the labour force was age 45 and over, compared to 22.3% in 1991. Over the next 15 years, more job opportunities should be available for youth (mainly in urban areas), as up to one-third of the present labour force reaches retirement age. This could contribute to a decline in the historically high provincial out-migration levels among the younger age groups, though out-migration from rural areas to urban centres can be expected to continue.

Much of the strong economic performance detailed above is centered largely in the urban areas of Newfoundland. The numbers are given at a provincial level, and thus mask any variation occurring at sub-provincial levels. For example, employment in the oil and gas sector can be expected to continue to be centred in the Avalon Peninsula, while future structural shifts due to consolidation in the fisheries will be felt mainly in rural coastal communities. Therefore, the situation in rural Newfoundland is not nearly so strong with respect to a variety of indicators (growth in GDP, employment, earnings, and participation rate). Because of that, the rural parts of the province are likely to continue to rely more heavily on a variety of assistance programs.

2. Employment Assistance Services

2.1 Structure and Operations

2.1.1 EAS Service Delivery

Employment Assistance Services (EAS) are offered by community organizations through agreements with HRDC. Eligible sponsor organizations may fall into one of four categories:

- Non-profit
- Band/tribal councils
- Businesses
- Public and educational institutions

In Newfoundland and Labrador, most of the sponsors fall into the non-profit category, with several band and tribal councils also participating. A handful of businesses and institutions also participate. Within the non-profit category, sponsor organizations divide into essentially two main groups: community and regional development associations providing services to the population at large, and groups providing services to individuals with special needs.

The community and regional development associations are the predominant sponsor types, with many administering EAS offices in more than one location. The special needs groups are well-established advocacy groups including the Canadian Paraplegic Association (CPA), Community Employment Corporations (addressing the needs of persons with disabilities), and the John Howard Society.

HRDC, with the assistance of its HRCCs, solicits proposals from organizations on a non-competitive basis. Arrangements with sponsors are developed through negotiations with HRDC, leading to formal contracts. These contracts are standard form agreements, with sponsor-specific details to be set out in attached schedules. Among these details are objectives, description of activities, targeted clientele, and expected results. Also incorporated as terms of the contract are business plans HRDC may require sponsors to submit as part of the sponsor offer. Contracts are ordinarily for a one-year term, with the possibility of renewal dependent on performance.

2.1.2 Contract Management and Administration

EAS offices are administered by their sponsors, who also set terms and conditions of employment of office staff. Offices in smaller locations are staffed with either one or two

counselors, with a support person in some of the larger offices. Offices in larger centers may have up to eight counselors.

Though formally employees of the sponsor organization, EAS office staff are delivering services on behalf of HRDC and are expected to meet mutually agreed upon standards. This means close contact between EAS staff and HRDC counselors who provide advice on day-to-day matters pertaining to HR policy, programs and reporting procedures (including the use of HRDC's Client Adjustment Tracking System - CATS). The one exception to this is urban centers where some EAS offices adhere to these standards, but also provide more general career counseling.

2.1.3 Geographic Distribution

EAS offices are generally termed "outreach" offices because they are extensions of the 15 district HRCC offices. They operate in 48 communities in Newfoundland and Labrador. This wide distribution reflects the largely rural nature of the population. It also reflects the importance that HRDC and sponsor organizations attach to the local availability of such support services.

Many of the larger communities with HRCC offices (which also offer the full range of EAS) also host the special-needs EAS offices. This underscores the diversity (and size) of the client groups in larger communities, and the recognition that specially-trained staff offering specialized services are required to meet the needs of individuals in these groups.

Many of the current outreach offices, which are not targeted at special needs clients, were originally created to deal with the crisis in the groundfish fisheries in the early 1990s. With the moratorium, thousands of fishermen and plant workers across the province lost their means of employment. Programs (NCARP, TAGS, FRAM) were established to deliver counseling, training and mobility assistance to those displaced. These programs were delivered by HRDC through regional sponsor organizations with local offices in many coastal communities. With the termination of these programs in 1996/97, many of these same sponsor organizations and offices (and staff) began offering EAS under contract to HRDC.

The distribution of HRCC and EAS offices around the province is depicted in Fig. 1 on page 12.

2.1.4 Clientele

To be eligible for EAS, a client need only be unemployed. Beyond this broad definition, the sponsor organization's objectives and the terms and conditions of the contracts determine the specific clientele and the kinds of services they may be eligible for. A review of several contracts reveals a diverse clientele:

- EI-eligible - those unemployed and seeking employment.
- "Reach-back" clients - those who had received EI at some point within the last three years and those who received EI for maternity/paternity leave in the past five years.
- EI-eligible social assistance clients (SAR).
- Those with developmental disabilities
- Those with physical disabilities
- Those in conflict with the law
- Students/Youth
- Adult learners

2.1.5 EAS Services Offered

EAS covers the full range of support services designed to assist an individual in securing employment. What is offered in any particular case depends on the client's needs. For those with moderate needs, it could be as simple as providing self-service information about jobs. Most, though, are "case-managed". They are provided with a needs assessment leading to counseling and development of an action plan. This in turn often leads to access to employment benefits delivered by HRDC.

EAS Services (or interventions) fall into five categories, each with several more specific services:

- Job Search
- Career Decision Making
- Skills Enhancement
- Employment Maintenance
- Personal/Social

For clients requiring more than straightforward self-service advice, e.g., job search, the relationship with the EAS counselor can extend for a period of months and even years. The services, termed assisted services, can be understood as a two-part process.

- First, a needs-assessment referred to as the Assessment Component of Employment Counseling (AC-EC) is conducted. The counselor interviews the client to gather background information and assesses needs (e.g., education, training, personal) in relation to various dimensions of employability. Counseling on possible directions would follow. This results in an Action Plan, a course of action jointly agreed to by the client and counselor.

Figure 1
EAS Sites
Newfoundland and Labrador

- Second, the interventions leading to the employment goals set out in the Action Plan are implemented. This requires action on the client's part, and may also require action by the counselor on the client's behalf to secure employment benefits such as financial assistance for training programs.

A key element of HRDC's management-by-results approach is the use of a case management system for tracking the progress of individual clients. Case management starts with the Action Plan. The EAS counselor enters all counseling interventions and consequent actions by the client into an HRDC database (known as the Client Adjustment Tracking System, or CATS). Follow-up and monitoring are an integral part of case management, with appropriate data entered into CATS. The service is terminated once the Action Plan is completed, or if the client discontinues his or her participation. Counselors generally do a telephone follow-up with clients 12 weeks after the termination of the Action Plan to track results.

EAS offices dedicated to special needs clientele provide these standard services (and use CATS for reporting), but they also provide more specialized services responding to their client's particular requirements. For example, sponsors may be required to develop more intensive counseling programs for clients, and programs to sensitize employers and the community to the need for employment opportunities and work place considerations. They may also be required to train and provide support workers to accompany clients to workplaces.

While the scope of services provided by an EAS office is broad, it is limited to *counseling* about employment opportunities (local and non-local) and support services including education and training. Providing advice about Employment Insurance (other than to refer clients to the appropriate office), and approving financial applications for support measures are specifically excluded. These are to be handled by an HRCC or HRDC office.

2.2 Evaluation Issues

Within the broad set of issues outlined in Section 1, the evaluation of the EAS addresses questions under the following headings:

2.2.1 Formative Evaluation

- Service delivery and management;
- Access and quality of service;
- Contracting arrangements, and
- Accountability.

2.2.2 Short-Term Outputs/Client Outcomes

- Employability and employment, and
- Third sector approach.

2.3 Evaluation

2.3.1 Service Delivery and Management

2.3.1.1 To What Extent Are Third-Party Organizations Used To Deliver EAS To Clients?

HRDC relies heavily on third-party organizations for EAS delivery. This is evident from the number of third-party contracts and EAS offices, as well as the proportion of clients served by third parties. It is worth noting that delivery of HRDC programs through outreach offices pre-dates the LMDA. Many of the current offices trace their origins to the early 1990s and delivery of NCARP and TAGS programs.

All told, HRDC had contracts with about 85 organizations around the province to deliver some level of EAS in 1999. Many of these are regional development organizations and branches of provincial agencies providing services in more than one community. Others are single-office organizations, delivering specialized services (e.g., training) to specific client groups.

Full EAS are offered from 64 locations in Newfoundland and Labrador, of which 48 are outreach (third-party) offices operating in smaller communities (Fig. 1). The other 16 sites are HRCC offices also delivering EAS.

During calendar 1999, EAS were provided to about 35,620 people in Newfoundland and Labrador. The 54 EAS third-party offices provided services to 16,291 (46%), while the 16 HRCC offices responded to the needs of 19,329 (54%). The higher client levels for the HRCC offices reflect the larger communities and local labour force served by these offices. Table 3 presents summary client data by HRDC district.

Table 3

District	Outreach	No. of EAS offices	HRCC	Total
Avalon	7,494	**18**	4,963	**12,457**
Central	6,485	**12**	7,123	**13,608**
Western	1,364	**14**	6,232	**7,596**
Labrador	948	**10**	1,011	**1,959**
Total	**16,291**	**54**	**19,329**	**35,620**

Source: HRDC Administrative Data.

2.3.1.2 How Are HRCCs Managing EAS Contracts?

Contracts are managed by HRCCs to ensure terms and conditions such as the scope and quality of services are met. The services delivered at individual offices are monitored on a day-to-day basis through counterparts at HRCCs, and by monitoring data on CATS. HRCC counselors provide advice on program and procedural matters in response to specific requests from EAS staff (reference to EAS staff or counselors is meant to capture only those in third party or outreach offices, not in EAS sites in HRCC offices). They also make regular visits to EAS sites.

EAS counselors regard the availability of counterpart counselors favorably. All staff interviewed indicated frequent contact (often several times a day), and a generally constructive and supportive relationship. Some EAS staff members indicated they were initially sometimes unsure from whom to seek or take direction on particular issues. But as the program has evolved, counselors report this is being resolved, with the scope of work and lines of authority more clearly set out.

The most important management tool is the CATS. EAS office staff are required to enter client data according to an established protocol. These data are up-loaded daily to HRDC for review and monitoring for quality control and consistency purposes. EAS offices, in turn, receive monthly summary reports on their activities based on this information.

CATS is developing into a potentially useful tool for monitoring EAS activities and tracking results, but it has taken some time to reach this stage. EAS staff reports the system had several bugs when first introduced, leading to a lack of confidence in its reliability. Staff also felt they were inadequately trained in data entry, compounding the confidence issue and leading some staff to not enter data as routinely as they should. These deficiencies have largely been overcome and all staff interviewed indicate their use of CATS as prescribed.

2.3.1.3 Are EAS Contracts Consistent With The Goals And Objectives Of Part II Of The *EI Act*?

Yes, for the most part, they are. Among the guidelines set out in Part II of the Act are that employment benefits and support measures shall be established so that there is:

Harmonization with provincial employment initiatives to avoid duplication and overlap. This is achieved through the joint federal-provincial administration of the LMDA, and to close cooperation at all levels in the implementation of EAS. Through the LMDA committee structure, policies, planning and issues are discussed on a regular basis and coordinated. HRCCs are particularly positive about this approach citing a better awareness of provincial priorities. Furthermore, HRCC managers see the province gaining a greater sense of ownership as a result of co-management. Perhaps, more importantly, HRCCs and EAS coordinators of offices serving clients with special needs are experiencing more effective partnering and, therefore, packaging of services, which allows a client to be counseled and serviced holistically as opposed to the previous more fragmented approach. Key provincial informants who were interviewed were also positive about this approach.

Reduction of dependency on unemployment benefits by helping individuals obtain or keep employment. About half of the case managed clients indicated that immediately after they completed their action plan or stopped participating in the employment program, they either started/continued looking for a job or continued working with the same employer. Of those who did find a job, approximately 25% indicated that it took less than two weeks to find the first job. More than half of those who found employment are still working on the same job.

Co-operation and partnership with other governments, employers, community-based organizations and other interested organizations. At the delivery level, the relationship between HRDC, provincial departments and third party agencies appears to be limited. Senior EAS staff and some sponsors are aware of federal-provincial co-management, but claim to experience little benefit. HRCC and HRE managers acknowledge that co-management results in little practical impact at the EAS level, other than to avoid duplication (not insignificant). Among the notable exceptions are the EAS outreach offices established to serve clients with special needs. In these cases, HRDC funds core operations and HRE funds staff assistants. In St. John's, this relationship is extended to include an HRE employee being assigned to a special needs outreach office. Both HRCCs and HRE view this arrangement as positive with the client receiving the benefit of a coordinated service.

Flexibility to allow local decision-making. EAS offices tend to operate within fairly strict program and service guidelines. These are dictated by HRDC, not by the sponsors, so the scope for local decision-making is limited by design. This approach ensures consistency of service across the province, and also narrows the possibility of offices providing misleading advice on issues for which they have limited training (e.g., EI claims).

Commitment by the person receiving assistance to achieving the goals of the assistance, taking primary responsibility for identifying their employment needs and locating necessary services. Requiring clients to develop and commit to an action plan is sound practice, not only because it facilitates the flow of management information, but because it places much of the responsibility for success squarely on the shoulders of the client. Breaking the overall task down into discrete steps reduces the size of the apparent hurdles, and the client gains confidence as each is accomplished. A key point to emerge from the focus group discussions is that this process provides an end in itself precisely because it boosts self-confidence and sense of worth. Clients reported that, among other things, this encouraged them to further their education, thereby making them more employable, and also to seek employment outside their communities. In general, all the EAS office staff interviewed enthusiastically embraced this approach as did the majority of EAS recipients.

Implementing the benefits and measures within a framework for evaluating their success in assisting persons to obtain or keep employment. CATS was developed in response to this criterion. It should provide much of the program data required to help in determining how successful the EAS is in assisting persons to obtain or keep employment. Of course, on its own, CATS will not provide all the data necessary. It

captures only information arising out of action plans. It provides little or no information about the objective environment within which the job search is taking place.

2.3.2 Access and Quality of Service

2.3.2.1 Does The Use Of Third-Party Organizations Address Issues Related To Capacity At The Local Level?

In weighing the interview evidence, it is clear that third-party organizations play an important role in complementing and supplementing the capacity of HRDC and provincial agencies to meet the demand for systematic employment and education counseling services. They go well beyond this in more isolated communities where the EAS office may be the only "government" presence, offering the only conduit to the broader range of services offered by both HRDC and HRE. This added capacity is particularly valuable for those with literacy problems, and those with physical or developmental disabilities. Third-party organizations with a special needs focus are uniquely placed to supplement services available through HRDC and provincial agencies.

EAS offices located on the Island of Newfoundland and in major Labrador centres (e.g. Happy Valley-Goose Bay or Labrador West) primarily provide variations of career/employment counseling, depending on the needs of clients and availability of other related services. These services include help in career/occupational decision making, skill enhancement/training, job search and employment maintenance. In addition, career counselors can make informal or formal referrals to other federal, provincial, private or not-for-profit agencies/institutions in near-by towns or towns accessible by automobile. They can also assist clients in their career or job search by referring to local newspapers, employment centres or listening to the radio for jobs within the region. In other words, these outreach offices are central to their clients, but are not the only agency available to them.

Services available and accessible on the Island and the more central parts of Labrador are not available or accessible on the coast of Labrador. Even when they are available in a community, they may not be accessible to another community, except at great travelling cost. Therefore, by default, EAS outreach offices provide a broader service in the communities in which they are located because they are the only or primary human resource agency in that community. As a result, they become the nerve centre to which all human resource issues are directed. These include questions related to EAS, and also questions related to transfer payments (e.g. income tax, social assistance, and all types of pensions), and form filling, particularly for those with literacy challenges. All of this is particularly important as many residents of isolated communities have limited access to Internet and receive newspapers on a limited and late basis.

Whereas regional EAS offices spread smaller tentacles throughout the region, community based EAS offices in more isolated areas provide a dedicated more all-encompassing service to a specific area. Therefore, the effect of their service is more intensely experienced at the community level.

2.3.2.2 Has EAS Increased Access?

This would seem to be the case based on the client survey and focus groups, but it is impossible to determine quantitatively because there is no direct basis for comparison. Most of the EAS offices existed prior to 1996 (the year the EI Part II employment measures were introduced) in the form of HRDC extension offices delivering services to a specific (fishery-dependent) clientèle or to a more general client. With the termination of the NCARP, TAGS and CFRAM programs, some of the offices simply re-directed their focus, emerging as third-party deliverers of EAS. Without a clear pre-EAS and post-EAS set of circumstances, (i.e., "with" and "without" cases), it is impossible to say how many more people are accessing EAS than would have in the absence of these offices.

But having said this, it seems clear from the data compiled during the client survey that proximity to an EAS office does contribute to the demand for services. There is a direct relationship between the number of clients and the proximity of the EAS office, i.e., the closer the office is to home, the greater the number of clients. Over 50% of clients live within 10 km of an EAS office. From this, one can infer that had the distances been greater (i.e., to the nearest HRCC office as in pre-EAS days), then fewer would have had access to EAS.

The importance of local access is also reinforced by opinions expressed at the focus group meetings with EAS clients of outreach offices. Many reported that they would have been reluctant or unlikely to take advantage of employment assistance services had they been required to travel to the nearest HRCC office. Three reasons were given for this:

- Greater distances mean higher travel costs and lengthier travel times;
- Service at the HRCCs is viewed as impersonal and often intimidating, with the added disincentive of long waits (this is based on word of mouth and not direct experience in many cases), and
- There is less likelihood that people would be aware of the services available if the EAS office were not located in the community.

The highly personalized service is another dimension to which clients attach great significance. Among the comments made by clients who participated in the focus groups were the following:

"The outreach worker takes the time to know you and your personal circumstances."

"The outreach workers go beyond the call of duty. If you call St. John's, they always put you on hold."

"They are always there for us."

"We need the help of outreach in filling out complex applications. There's no one else to do it."

"It's our lifeline."

"Went to an HRDC office and didn't get any help. You are just a number there. It's not service oriented."

"Living in an isolated community, we need the service. How else would you learn anything? Otherwise, you spend your life waiting on the phone."

Despite a perceived higher awareness of EAS services due to locating offices in communities, almost all EAS clients in focus groups indicated that EAS offices were not well marketed.

2.3.2.3 Has EAS Resulted In Contributions From Other Organizations?

Not really. EAS outreach offices are fully funded by HRDC, with only a few sponsors providing limited office supply support. Special needs sponsors are also funded to a greater or lesser degree by HRDC, with support also received from the provincial government and other federal agencies. Sponsors appear to have minimal contact with EAS outreach offices with the exceptions of salary and benefits administration.

2.3.2.4 Is The Geographic Distribution Of EAS Sites Adequate?

It seems to be. With 48 EAS outreach offices, and several special needs providers in the larger communities, Newfoundland and Labrador would appear to be well served with EAS sites. This is also based on the opinion of those in the focus groups who, when asked, expressed no objection to travelling to another community to visit an outreach office. Judging from the client survey and opinions expressed at the focus group meetings, any perceived shortcomings of EAS with respect to employment results, have less to do with access to services than with availability of jobs.

2.3.3 Contracting Arrangements

2.3.3.1 What Is The Nature Of The Contracting Relationship Between HRDC And EAS Sponsors?

HRDC and EAS sponsors enter into formal contracts for the delivery of services. Contracts are negotiated on an annual basis, with renewal based on meeting the terms and conditions of the contract.

The contracting relationship is not clearcut in the case of the sponsors delivering conventional outreach EAS services. Sponsors operate nominally at arms length from HRDC, delivering a prescribed set of services for payment of an agreed sum. Sponsors operate nominally at arms length from HRDC, delivering a prescribed set of services for payment of an agreed sum. Many sponsors play a limited role in management, acting primarily as conduits for EAS program funding. In and of itself this is not a bad thing, though it may act to limit the scope for local initiative, autonomy and creativity in program delivery. To the extent these are important elements in developing local ownership and responsibility for results, some consideration perhaps should be given to greater local control. This said, any changes would have to be balanced against the need for consistency of information and quality of service.

In the case of the special needs sponsors, contracting is clearly at arms length. The sponsor, generally an established and well-recognized organization, delivers the services in a manner consistent with the goals, objectives and methods of that organization. Sponsors are required to maintain records within the CATS framework. Those outreach offices with whom contact was made do use the CATS system, although some find the system poorly designed for purposes of monitoring progress of clients with special needs. The system does not recognize qualitative information and data is susceptible to subjectivity making inter-office or system-wide comparisons difficult.

2.3.3.2 How Is Contracting Done?

Sponsors either approach HRDC with a proposal, or are invited by HRDC to submit a proposal for service delivery. The process is non-competitive, with terms and conditions negotiated once an acceptable proponent is selected.

Contracts are for one-year terms. While there may be valid fiscal or program reasons for this approach from HRDC's perspective, it makes for an uncertain working environment for sponsors and EAS office staff. Sponsors are unlikely to commit scarce resources to developing the service beyond its current scope. Staff are well trained and by all accounts are highly motivated, yet enjoy limited job security. This raises two concerns: the ability of sponsors to attract the best people for the jobs (though this does not seem to have been a problem so far), and the willingness of staff to make long-term commitments to these positions.

2.3.3.3 How Has Co-Management Influenced EAS?

Co-management of the LMDA (i.e. federal-provincial) would appear to have had limited *direct* influence on EAS. According to interviews with some HRE and DDRR staff, co-management has fostered a clearer understanding by each partner of the other's programs, and in this way has led to better planning and delivery. There is a better system of referrals, and less duplication and overlap. But beyond this, EAS is a federal program and an HRDC responsibility. For the most part, it is fully funded by that organization. Except insofar as co-management has led to the co-location of a few HRE and EAS offices, co-management itself would appear to have had little material impact on EAS delivery.

2.3.3.4 What Is The Province's Role In EAS Contracting?

The province plays no role in EAS contracting in the case of most sponsors. The arrangement is between HRDC and the sponsor. But the province does play a small direct role in EAS contracting by acting as sponsor and service provider in four locations (St. John's, Corner Brook, Grand Falls and Happy Valley). This system appears to work well in co-ordinating the roles of the two government departments to effectively service the majority of individuals who are unemployed or underemployed as a result of numerous individual challenges. In some other cases, core funding is provided for HRDC and support workers are provided by HRE. This arrangement is considered to work well by the LMDA District Co-ordinators in the four locations.

2.3.3.5 Is There A Monitoring Function In Place To Monitor Third Party Contracts At The HRCC And Regional Level?

Yes, a monitoring function operates at two levels: through the use of CATS data by HRCC staff, and through the use of HRCC counselors or coordinators who offer advice to EAS staff and make periodic visits to EAS offices. Through the use of CATS, data can be separated by EAS office, but its subjectivity makes its usefulness doubtful for an evaluation. It is designed to track short-term (12 weeks) progress, which, in and of itself, is important, but it cannot track long-term outcomes of the EAS outreach service.

2.3.3.6 Is Monitoring Being Completed At The HRCC And Regional Level?

Monitoring is being completed by HRCCs, but it is monitoring of a narrow kind, confined essentially to EAS office activity (i.e. a client's program success) as reflected in CATS data. HRCC staff admit that even this level of monitoring is not carried out at the level of detail they would like. This is due in part to a shortage of staff resources, and in part to the absence of targets or established progress indicators and the difficulty of manipulating data to fit into the CATS model (e.g. the Assessment Component of Employment Counseling formula template that guides counselors to ask specific questions when interviewing clients).

Targets are a key element for accountability: measuring progress and assessing results. This approach to accountability began to be introduced at HRDC and HRCCs in 1996, and is gradually filtering down to the EAS sponsors and offices. To date, though, only one HRCC (Harbour Grace) is actually attempting to set quantitative targets for its outreach offices (1999), and to measure results against these targets. Targets are expressed for the number of clients returning to work, and dollars saved on the EI account.

EAS office staff complain that their own delivery of services is not subject to any performance review by HRDC or their own sponsors. They receive no feedback on the quality of their service, other than from clients. While feed-back from clients tends to be highly encouraging (this is confirmed in focus group meetings and the client survey), and for many the more important form of monitoring, staff feel it is important to have regular performance reviews by their sponsors and/or HRDC.

2.3.4 *Accountability*

2.3.4.1 Do EAS Contracts Contain Specific Requirements For Data Capture And Accountability?

EAS contracts do not contain specific requirements for data capture and accountability. The contracts are standard forms, with any description of objectives, services and reporting requirements set out in attached schedules. These schedules tend to be brief, and vary from contract to contract.

This is changing as of 1999, with sponsors required to prepare detailed business plans including scope of services. These plans are then attached to the contracts as schedules.

2.3.4.2 Are Third-Party Contractors Fulfilling The Data And Accountability Requirements?

Yes, virtually all EAS offices fulfill the data requirements. As contracts are renewed, reporting requirements are being incorporated.

To date, accountability requirements have not been specified, except in the case of one HRCC. These are being incorporated into the contract, with performance of the EAS offices assessed against specified targets.

2.3.5 *Outcomes*

2.3.5.1 Are Clients Satisfied With The Quality Of Service?

Yes, clients are satisfied with quality of service. This is confirmed through direct questions and discussion during focus group meetings.[6] Clients praised staff for their knowledge and professionalism, and particularly for their accessibility and the personalized service. That the services are community-based scores high on the list of positive features. As one client put it, "The outreach workers take the time to know you and your personal circumstances. This allows them to offer better advice about career or education options." In summing up their experience, those EAS clients attending the focus group contrasted the provision of EAS outreach services with service obtained at HRCCs, describing the latter as impersonal and impenetrable.

Similar views were expressed in the client survey.[7] More than 60% of clients gave the EAS counseling services an *overall* rating from very good to excellent. Fewer than 10% rated the services in the poor to fair range. It is interesting to note that half or more of those surveyed were unable to offer an opinion on the quality of any *particular* service, though the services delivered personally rather than impersonally (by computer or written material) tended to be more memorable and meaningful judging from the slightly higher proportion of clients offering opinions. This finding is also supported by the discussions in the focus groups.

2.3.5.2 What Are The Chief Results Of The EAS?

The main tangible benefit emerging from the first three years of EAS seems clearly to lie in the improved *employability* of the client group. According to the EAS focus group participants, they had become better informed about employment opportunities, and better able to respond to those opportunities through the education or training programs they completed. But perhaps most importantly, what many clients point to as the key result is their greater sense of self-esteem and confidence achieved through counseling and completion of their action plans. This makes them want to participate: to actually look for work, continue working for the same employer, change jobs, or further their education (more than 80% of the clients surveyed fell into one of these categories).

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[6] A summary of focus group findings can be found in Appendix G.
[7] A summary of the client survey can be found in Appendix A.

Finding work continues to be the persistent problem. For those not working, the main reason given is the simple lack of employment opportunities. Though the economy of Newfoundland and Labrador improved considerably during the latter half of the 1990s, the official unemployment rate continues to be high (about 17% in 1999). But even this rate is misleading, given the influence of St. John's lower unemployment rate in the average. The EAS case studies (Appendix B) show that in the rural areas where the role of EAS is particularly important, regional labour force participation rates tend to be lower and regional unemployment rates substantially higher than the provincial average (25-35% in some areas). Rural areas are not generating sufficient employment opportunities.

2.4 EAS Client Survey Results

The EAS client sample was constructed on the basis of a population of 18,447 clients who were "case managed" or 2,087 who were classified as "moderate need". [8] According to HRDC, case managed are individuals who follow through an EAS outreach program and moderate need are individuals who require short-term interventions.

Sample Selection Process

HRDC supplied files containing records for 18,447 Case Managed clients and 2,087 Moderate Needs clients. These were taken to be the population of clients of concern for the evaluation. The protocol followed to select the sample was to select a simple random sample that would produce an estimate of a population proportion of 0.5 at the 95% confidence level with a 10% error rate. The following table summarizes the relevant figures.

	Case Managed	Moderate Need
Population	18,447	2,087
Raw Sample	376	325
Response Rate	45-50%	45-50%
Sample Drawn	768	695

The actual random samples drawn were 768 for Case Managed and 695 for Moderate Needs, allowing for a 45 – 50% completion rate. The completed samples were 311 Case Managed and 239 Moderate Needs. For Case Managed, this sample size is consistent with an 11% error rate and a 95% confidence level, or 10% error rate and a 92% confidence level. The corresponding levels for Moderate Need are 12% error rate and 95% confidence or 10% error and 90% confidence.

[8] "Case managed" refers to clients who receive an integrated service delivery approach that focuses on client needs (employment and financial) and accountability for results by supporting the coordination of employment benefits and support measures under the *EI Act*.
"Moderate need" refers to clients who are interviewed by an EAS outreach office for the purposes of gathering employment situation information, developing an action plan or determining a client's commitment.

The survey company employed to conduct the telephone calls were given a fixed budget of $8,800 with instructions to continue calling until the raw sample size target was met or they met their budget limit. They followed this instruction until they reached the budget limit. The main difficulties they encountered were the high rate of call backs required and the high rate of either wrong numbers, numbers changed or people who had moved with no forwarding number.

The results of the EAS client survey are presented in brief below, comparing the moderate need and the case managed sample sub-groups. Appendix A gives the detailed results for both sub-groups.[9]

2.4.1 Case Managed Client Results

2.4.1.1 Outreach Office Activity

Out of the sample group classified as "case managed", the largest percentage of clients (20%) indicated they went to one of the outreach office(s) located in St. John's for employment assistance services. Roughly one third of the case managed sample indicated they went to the outreach offices in St. John's, Bonavista and Newville for employment assistance services.

Most case managed clients indicated that the outreach office was located relatively close to their home. Over three quarters of the sample indicated they traveled less than 20 kilometers to the outreach office and roughly half indicated that the outreach office was less than 10 kilometers from their home.

Most case managed clients indicated, however, that the HRDC office was not located close to their home. Roughly twenty percent of the case managed clients indicated that the nearest HRDC office was less than 10 kilometers from their home and three quarters indicated that it was less than 100 kilometers from their home.

An increasing number of case managed clients went to the local EAS outreach office for counseling or other services since 1996, with over half of the clients indicating they went to the local outreach office in 1999.

[9] Population parameters were compared with survey sample results in an attempt to measure non-response bias. Given the variables contained in the population data and the survey sample data, the variable measuring primary and secondary education was the only variable available to make such a comparison. For results of this comparison, see Appendix A, Section 4.

Table 4
Distance From EAS Outreach Office – Case Managed

How far away is this office from your home in kilometers?
Case Managed

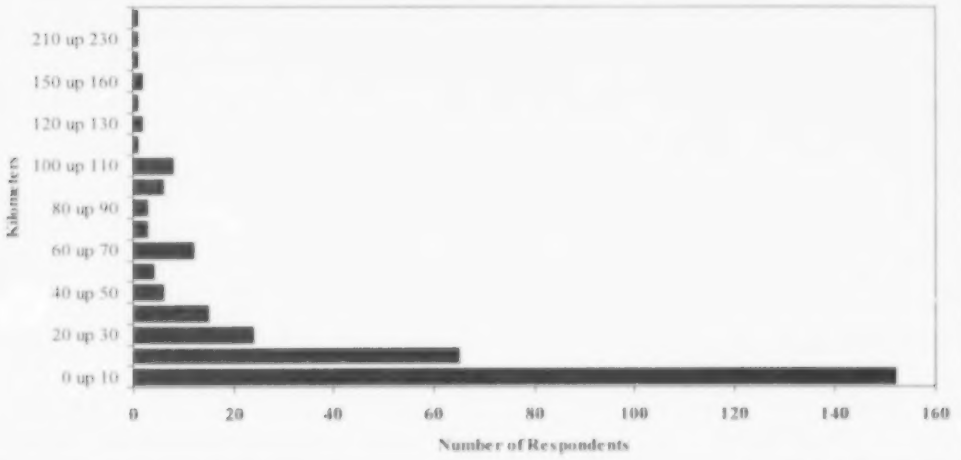
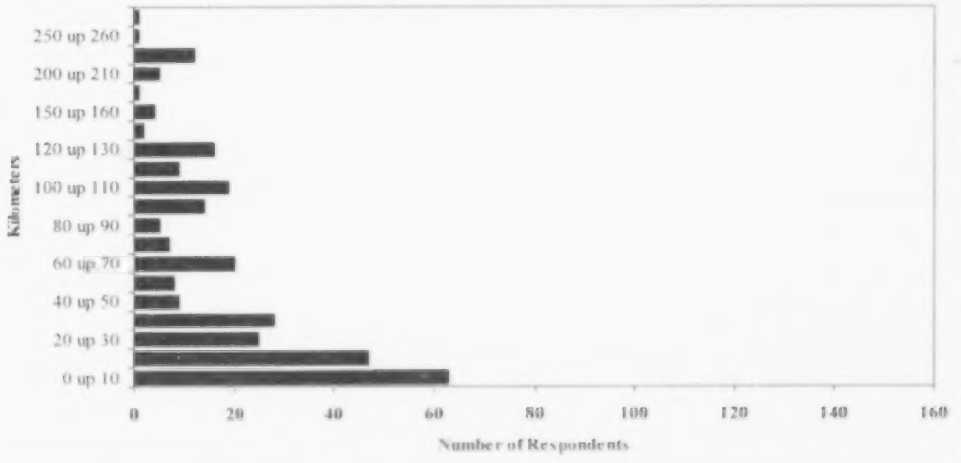


Table 5
Distance from HRDC Office – Case Managed

How far away from you home is the nearest HRDC office?
Case Managed



2.4.1.2 Education

Over half of the case managed sample indicated they had completed high school (60 percent). Of those who had completed high school, more than a quarter of them either completed or engaged in post secondary education at the university or community college level.

Over half of the case managed sample indicated they were employed and not in school over the period 1996 to 1999. Over 10 percent indicated they were in school and not employed over the same period.

2.4.1.3 Outreach Office Services

In the survey, the two types of services case managed clients indicated that they thought they needed to help them find a job before they went to the EAS outreach office were:

- training in specific job skills, and
- help with a job search

The five primary types of services actually used by clients at the EAS outreach office (in order of highest usage) were:

- Information on financial assistance programs
- Information on post-secondary education/training programs
- Job search and interview techniques
- Employment and career counseling
- Resume and cover letter preparation

Almost three-quarters of the case managed sample did not develop an Action Plan with the assistance of the outreach counselor.

Of those who did develop an Action Plan, roughly three-quarters are either completed or in progress. The other one-quarter did not complete the Action Plan.

Of those who did not complete the Action Plan, roughly half did not complete it because they found a job. The remaining clients did not complete an Action Plan because they were either no longer interested in doing so, or there were no spaces available for HRDC funded programs.

The services received at the Outreach offices were all highly ranked, with the weighted average ranking[10] between very good and good for all services offered. Outreach office services were ranked by the case managed clients in the following order (from highest to lowest, using weighted mean ranking):

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[10] The average is calculated as a "weighted mean", which is preferable to a straight mean when incidences of duplicate values occur in a data set such as this one.

- Information on training and education programs
- Career counseling
- Job bank kiosks/job board listings
- Referral to a job, training program or other services
- Labour market information from computer
- Brochures on labour market or employment services
- Job finding clubs
- Internet job listings
- Computerized job search tools
- Workshop on job search skills

Overall, the counseling services received a high ranking by the case managed clients. One quarter of the case managed clients ranked these services as excellent with another one third ranking the counseling services received overall as very good.

The two primary reasons for dissatisfaction with the EAS outreach office services cited by case managed clients were:

- the advice provided was not helpful, and
- the EAS outreach office could not provide the services needed.

Table 6
EAS Outreach Services Thought to be Needed to Find a Job – Case Managed

Q.#9. When you went to the Outreach office, what kind of services did you think you needed to help you find a job? Case Managed

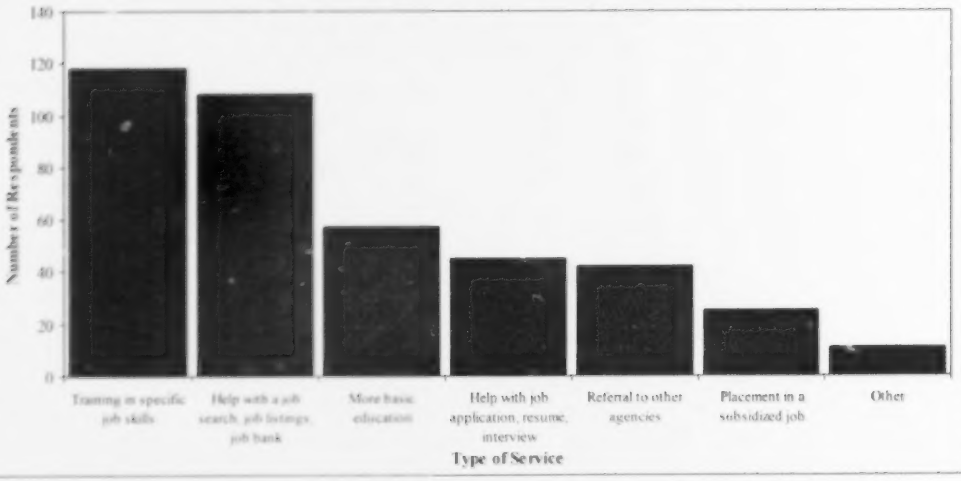
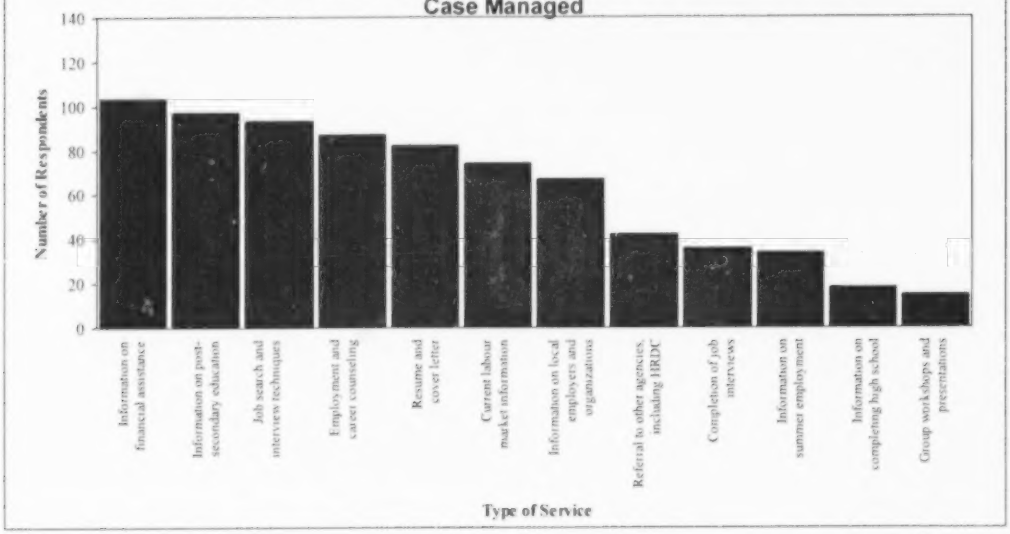


Table 7
Some EAS Outreach Services Actually Used – Case Managed



2.4.1.4 Employment

More than one third of the case managed clients indicated their usual employment before going to the EAS outreach office was in the fishery. Services was the second largest sector in which clients were employed, followed by construction, prior to going to the EAS outreach office. Combined, the fishery, services and construction sectors employed 70% of the case managed clients before they went to the EAS outreach office.

About half of the case managed clients indicated that immediately after they completed their action plan or stopped participating in the employment services program, they either started/continued looking for a job or continued working with the same employer.

Over half of the case managed clients who left the program prior to completion have looked for a job since they left the program. Of these, more than two thirds indicated that they did not find a job.

Of those who did find a job, 25.6% indicated that it took less than two weeks to find the first job. 53.8% of the case managed clients indicated that it took less than nine weeks to find the first job. 66.7% of the first jobs found represented full time employment and 77.1% were local jobs. More than half of those who found employment are still working on the same job.

Those who are not working on the same job:

More than half of those who were not working on the same job indicated that the job lasted for 17 weeks or less. After their job terminated, the most common activity clients indicated they did next (more than half) was to look for another job. 20 percent indicated they sought training and upgrading and 12 percent stopped looking for work.

Of those not working on their first job found after contact with the EAS outreach office, most are currently looking for work (about 40 percent). An equally large number are currently split between being on Employment Insurance or upgrading their education. Slightly more than one tenth are currently working in a paid job and less than one tenth are on social assistance.

Of those not currently employed on their first job found after contact with the EAS outreach office, a large majority said the primary reason they are not currently working is attributable to the lack of jobs (over 70 percent).

Those who are working on the same job:

Of those who are currently employed, about a quarter are employed in the fishery. Another 35 percent are either employed in managerial/administrative jobs or in construction. Employment in the services sector accounts for roughly 15 percent.

2.4.2 Moderate Need Client Results

2.4.2.1 Outreach Office Activity

Out of the sample group classified as "moderate need", most clients (almost one third) went to the Outreach office located in Marystown for employment assistance services.[11] Over one half of the moderate need client responses indicated they went to one of three outreach offices for employment assistance services: either Marystown, Harbour Grace or Clarke's Beach. A very small number of clients at the Outreach office in St. John's were classified as moderate need (about 5 percent).

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[11] The Moderate Needs sample contains a large proportion of responses from people living in Marystown. To see whether these respondents skew the results, we have tested the statistical significance of differences in distribution of responses. This was done using two methods. Neither method showed a statistically significant impact on the distribution of responses resulting from the Marystown data.
In testing for the statistical significance, both methods investigated the impact on the survey results of eliminating the Marystown respondents from data. Both methods compared the distribution of responses on questions 3 through 6 and questions 11 through 28. The first method compared the EAS data set excluding the Marystown data with the EAS data including the Marystown data. This method used Paired Sample Means T-tests to test for differences in mean scores on survey questions.
The second method tested for differences in the distribution of responses for the Moderate Needs clients by comparing the EAS data set excluding the Marystown data to the EAS data set for the Marystown respondents only. This method used Independent Sample Means T-tests to test for differences in mean scores on survey questions.

As with case managed clients, most moderate need clients indicated that the outreach office was located relatively close to their home. Roughly three quarters of the sample indicated they traveled less than 20 kilometers to the outreach office and over half indicated that the outreach office was less than 10 kilometers from their home.

The moderate need clients indicated that the HRDC office was located slightly closer, (on average) to their home than with the case managed client response. More than one quarter of the moderate need clients indicated that the nearest HRDC office was less than 10 kilometers from their home and roughly three quarters indicated that it was less than 50 kilometers from their home.

Similar to the case managed clients, an increasing number of moderate need clients went to the local EAS outreach office for counseling or other services since 1996, with over half of the clients indicating they went to the local EAS outreach office in 1999.

Table 8
Distance from EAS Outreach Office – Moderate Need

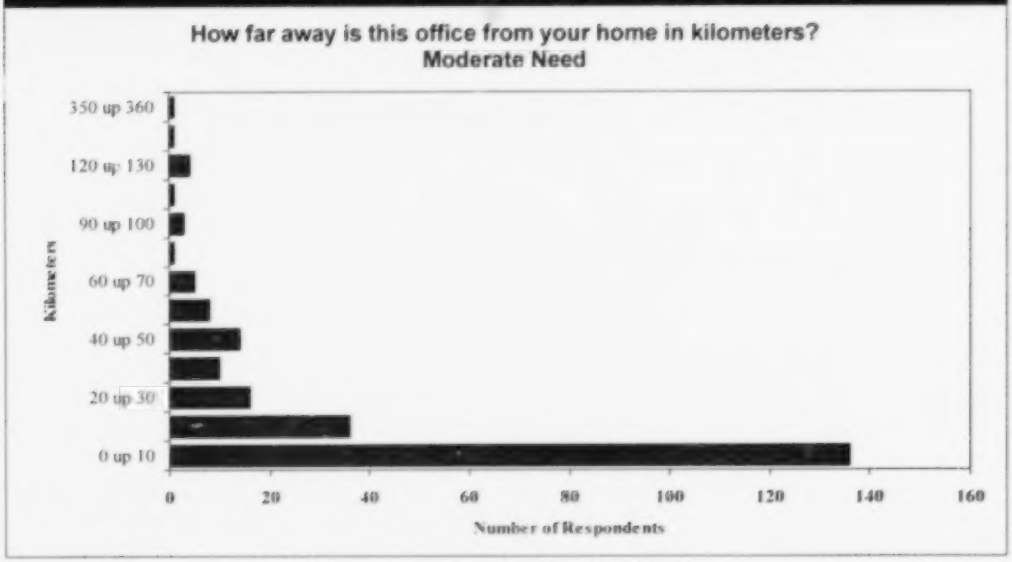
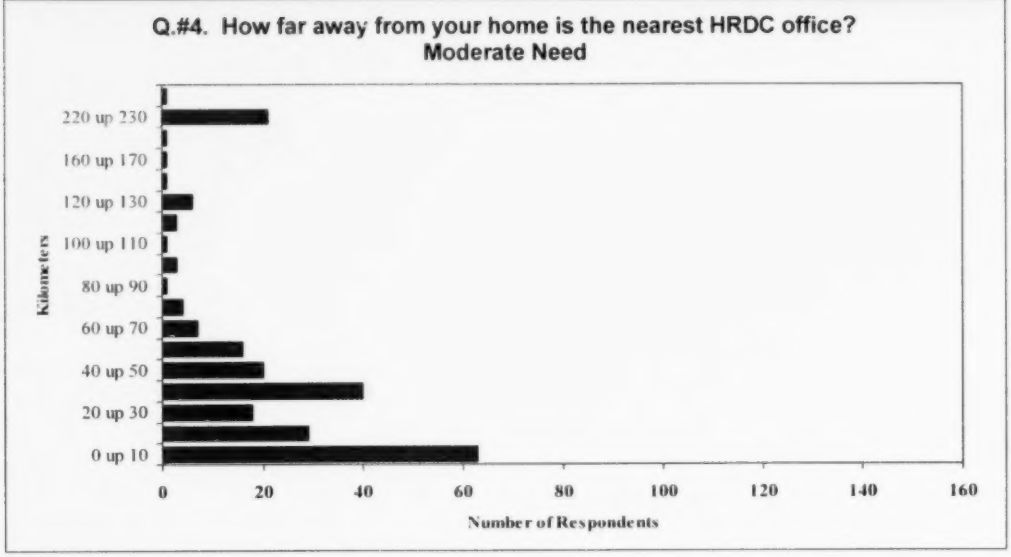


Table 9
Distance from HRDC Office – Moderate Need



2.4.2.2 Education

A higher percentage of the moderate need clients engaged in or completed a post secondary education program than with the case managed clients. Over half of the moderate need sample indicated they had completed high school (60 percent). Of those who had completed high school, almost half of the moderate need clients either completed or engaged in post secondary education at the university, community college or trade school level.

The percentage of the moderate need clients who indicated they were employed and not in school increased steadily over the period 1996 to 1999. Similarly, the percentage of moderate need clients who indicated they were in school and not working steadily declined over the same period.

2.4.2.3 Outreach Office Services

The top three types of services cited by the moderate need clients as being ones they thought were needed to help them find a job before they went to the EAS outreach office were:[12]

- Help with a job search (128 responses);
- Training in specific job skills (102 responses), and
- Help with job application, resume, interview (60 responses).

[12] Percentages cannot be used as respondents are allowed to make more than one choice.

The top five types of services actually used by moderate need clients at the Outreach office (in order of most used to least used) are:

- Information on financial assistance programs for education and employment (103);
- Resume and cover letter preparation (97);
- Job search and interview techniques (93);
- Information on post-secondary education/training programs (87), and
- Current labour market information (82).

A higher percentage of the moderate need clients developed an Action Plan than did the case managed clients. About two thirds of the moderate need sample did not develop an Action Plan with the assistance of the outreach counselor.

Of those who did develop an Action Plan, roughly three-quarters were either completed or in progress. Of those who did not complete the Action Plan, roughly one third did not complete because they found a job. The remaining clients did not complete an Action Plan because there were no spaces available for HRDC funded programs or they were no longer interested in doing so.

The services received at the EAS outreach offices were all highly ranked, with the weighted average ranking[13] between very good and good for all services offered. Outreach office services were ranked by the moderate need clients in the following order (from highest to lowest, using weighted mean ranking):

- Internet job listings
- Career counseling
- Information on training and education programs
- Job bank kiosks / job board listings
- Referral to a job, training program or other services
- Computerized job search tools
- Job finding clubs
- Labour market information from computer
- Workshop on job search skills
- Brochures on labour market or employment services

[13] The average is calculated as a "weighted mean", which is preferable to a straight mean when incidences of duplicate values occur in a data set such as this one.

The counseling services received a higher overall ranking by the moderate need clients than with the case managed clients. Almost one third of the moderate need clients ranked these services as excellent with another one third ranking the counseling services received overall as very good.

The two primary reasons for dissatisfaction with Outreach office services cited by moderate need clients are:

- The Outreach office could not provide the services I needed, and
- The advice provided was not helpful.

Table 10
EAS Outreach Services Thought to be Needed to Find A Job – Moderate Need

Q.#9. When you went to the Outreach office, what kind of services did you think you needed to help you find a job? Moderate Need

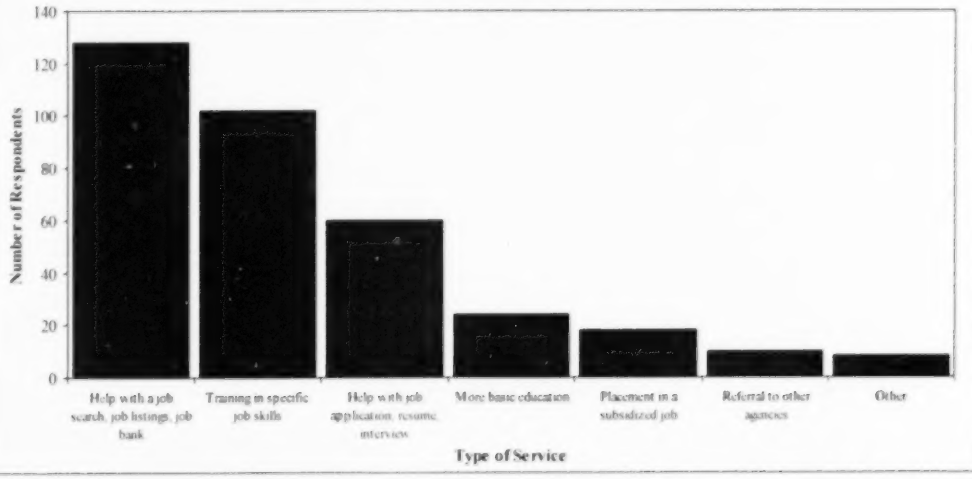
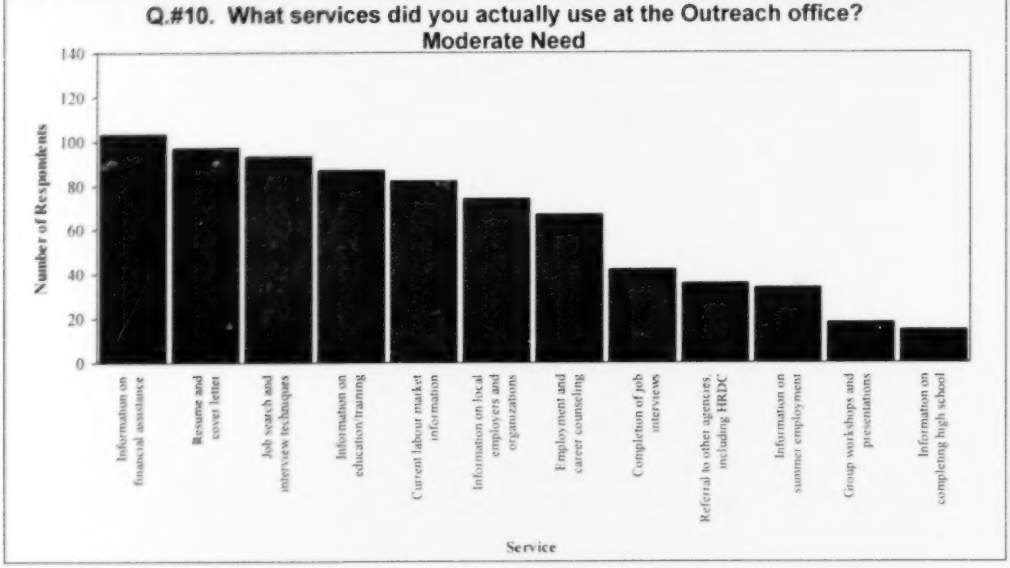


Table 11
EAS Services Actually Used – Moderate Need



2.4.2.4 Employment

The results of the client survey indicate a greater percentage of moderate need clients being employed in the services sector prior to going to the EAS outreach office rather than in the fishery, in contrast to the case managed clients. More than one quarter of the moderate need clients indicated their usual employment before going to the EAS outreach office was in the services sector. The second largest sector clients were employed in prior to going to the EAS outreach office was the fishery, followed by construction.

A second result of the EAS client survey showed the employment of the moderate need clients before they went to the EAS outreach office was more diversified across the sectors than was the case with the case managed clients. Combined, the services, fishery, and construction sectors employed just over half of the moderate need clients. The manufacturing, sales and sciences sectors employed another one quarter of the moderate need clients prior to their arrival at the EAS outreach office.

About half of the moderate need clients indicated that immediately after they completed their action plan or stopped participating in the employment services program they either started/continued looking for a job or continued working with the same employer.

Most of the moderate need clients who left the program have looked for a job (almost two thirds). Of these, more than two thirds indicated that they did not find a job.

Of those who did find a job, one quarter indicated that it took less than four weeks to find the first job. More than half of the moderate need clients indicated that it took up to four weeks to find the first job. Most of the first jobs found represented part-time employment (just over half) and were local jobs (over three quarters). More than half of those who found employment are still working on the same job.

Those who are not working on the same job:

More than half of those who were not working on the same job indicated that the job lasted for 19 weeks or less. After their job terminated, the most common activity the moderate need clients indicated they did next (more than half) was to look for another job. Others indicated they went for training and upgrading (20 percent). A few stopped looking for work (12 percent). A much higher percentage of the moderate need clients found work with another employer, as compared to case managed clients. Similarly, a smaller percentage of the moderate need clients stopped looking for work as compared to case managed clients.

Other differences between the case managed and the moderate need clients emerged from the EAS client survey with respect to the portion of the sample for which their first job found was terminated. Of those who were not working on the first job found after their contact with the Outreach office, about a third of the moderate need clients are currently looking for work. A much larger percentage of the moderate need clients indicated they are currently working in a paid job after having lost their first job as compared to case managed clients. Another quarter of the moderate need clients are now working on a paid job. Also, a much smaller percentage of the moderate need clients who lost their first job indicated they were receiving either EI or social assistance as compared to case managed clients.

Of those who are not currently employed, a large majority of clients say the primary reason they are not currently working is attributable to the lack of jobs available.

Those who are working on the same job:

For those EAS clients currently working on the first job found after their contact with the EAS outreach office, there are differences between the moderate need and the case managed sample groups with respect to the sectors in which they are employed. The service sector is the largest employer for the moderate need clients who are still working on their first job, versus the fishery for the case managed clients. The second largest employer for the moderate need sample is the managerial and administrative sector with the fishery being the third largest employer of this group.

2.4.3 EAS Survey Results Conclusion

Although both the case managed and moderate need clients surveyed indicated they thought they needed training in specific job skills and help with a job search, both groups most frequently used information about financial assistance programs. However, both groups highly ranked the service provided by the outreach staff on post-secondary

education/training programs, particularly the case managed clients. Both groups also highly ranked the career counseling service they received, although they had not listed it as a type of service they thought they needed prior to first visiting the EAS outreach office. It would also appear that neither group found workshops nor job finding clubs particularly useful.

When examining the services at the EAS outreach office clients thought they needed to help them find a job by education levels, some interesting results occurred.[14]

Case-managed clients:

Training in specific job skills was the most frequently cited service by the case-managed clients as needed to help them find a job. Of those who cited training in specific skills from this group, most had either attended or completed community college. Another large portion of this group had completed either grade 10, 11 or 12. The second most frequently cited service by the case-managed clients as needed to help them find a job was help with a job search. Of those who cited this service from this group, most had not attended or completed community college, but rather had completed grade 12 with a high school diploma.

When asked about the services clients actually used, the top three services cited by the case managed clients included information on financial assistance programs, information on post secondary education, and job search and interview techniques. When examining the distribution of those who sought information on financial assistance programs, they tended to be more highly educated (38 percent either attended or completed community college or attended university), while another fairly large group (35 percent) either had completed grade 11 or grade 12. Similar results hold for those who sought information on post secondary education programs. The distribution was split between those who were more educated (37 percent either attended or completed community college or attended university) and another fairly large group (33 percent) who had either completed grade 11 or grade 12. The reverse is true, however, when examining the distribution of those who used job search and interview techniques services. This group tended to be less educated (36 percent with grade 11 of grade 12 completion).

Moderate Need Clients:

When asked what services they thought they would need to help them find a job, help with a job search was the most frequently cited service by the moderate need clients. Of those who cited help with a job search from this group, the distribution is largely split between those who had either completed community college or university and those who nad completed either grade 11 or grade 12. The second most frequently cited service by these clients for helping them find a job was training in specific skills. Of those who cited

[14] For cross tabulation results, see Appendix A, Section 3.

this service from this group, most had completed community college, trade school or grade 12 with a high school diploma.

When asked about the services clients actually used, the top three services cited by the moderate need clients included information on financial assistance programs, services related to the preparation of a resume or covering letter, and job search and interview techniques. When examining the distribution of those who sought information on financial assistance programs, most had either completed community college or trade school while another fairly large group had completed grade 12. Similar results hold for those who sought services related to the preparation of a resume or covering letter. The distribution is split between those who had completed community college, completed trade school or completed grade 12 with a high school diploma. When examining the distribution of those who used job search and interview techniques services by education levels, this group tended to be slightly less educated.

By and large, according to the survey, the moderate need clients are better educated. They also appear to have greater comfort with computers because of their indicated usefulness of the Internet job listings and computerized job search tools. The case managed found these services less useful.

3. Local Labour Market Partnership Projects

3.1 LLMP Overview

Local Labour Market Partnership (LLMP) agreements are negotiated between HRDC and its labour market partners and a local, community-based sponsor. While the objectives of the various projects funded under LLMP vary widely, the goal of each must be to support the development of a community's employment base, either directly through job-creation or skills development, or indirectly through research, promotion, communications or strategy development. The mandate of the initiative is to improve the functioning of labour markets and address local labour force priorities, creating an environment in which the labour market will better function. Organizations eligible as sponsors include:

- Businesses;
- Non-profit organizations;
- Governments;
- Public Health or education institutions;
- Band/ tribal councils;
- Individuals or groups of individuals.

The LLMP may be broken down into seven categories of support. Each LLMP agreement falls into one of the following initiative areas:

- Identify labour market needs;
- Identify the strengths of the community;
- Work with economic development efforts;
- Build and support a self-sufficient community;
- Develop a local continuum of service;
- Develop an overall community business plan/ strategy; and,
- Help businesses set up an Industrial Adjustment Committee to help employees at risk of losing their jobs.

LLMPs have been established across the province of Newfoundland and Labrador, in all seven initiative types. All told, 534 LLMPs (past and current) are detailed in the HRDC database. This evaluation interviewed the contact persons for 52 projects,[15] which in total

[15] The 52 Case studies can be found in Appendix C.

represented $13,508,399[16] in funding from LLMP. The data generated from these interviews, along with interviews with a variety of LMDA partners, forms the basis of this evaluation.

Activities undertaken as part of an LLMP vary widely. Some hired one to three individuals for a particular task, often the creation of a development or marketing strategy, a resource inventory or a strategic plan. Other LLMPs developed training programs, sponsored consultations, hosted conferences, created websites, constructed infrastructure, and performed feasibility studies. The value of LLMPs examined ranged from more than $7,000 to over $2.5 million. Many groups had organized several LLMPs, either concurrently or consecutively. All projects were oriented around a perceived need that could be filled through this program (need for a development officer, need for a walking historic trail, need for a feasibility study), and interview responses were invariably framed around this activity, rather than consideration of best practices or clearing of the labour market.

3.2 Evaluation Issues

The evaluation is designed to generate evidence to analyze the following five areas:

- The extent to which LLMP projects are consistent with economic theory relating to the effective clearing of the labour market -- best practices by initiative type (e.g. economic development).

- Role of the province in coordination of services, thereby providing more effective service to clients. Consistency and clarity among partners at all levels in understanding of the purpose of LLMP.

- The extent to which LLMP projects are providing timely and quality client and project data for evaluation and accountability purposes, as well as management information for decision-making and planning purposes.

- The impact of LLMP projects on direct and indirect jobs. Short term client outcomes and/or milestones achieved by clients on the way to employment related to LLMP projects.

- Long term *potential* outcomes related to LLMP projects.

3.3 Evaluation

Given the diversity of the projects evaluated, a matrix[17] was established to present key information about each of the 52 projects, which allowed for comparison across a set of common issues. This matrix is attached at the end of this report.

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[16] $10,000 of this amount was not paid out as the designated project was not completed.
[17] See Appendix E.

3.3.1 Activities and Partners

What are the level, type, nature and scope of activities under the LLMP?

Projects funded under LLMP range from extremely local to pan-provincial, are of all types (from marketing to construction to software development to training), with a scope as broad as the interests of the proponents and the constituents the projects are designed to serve. The objectives of each project, as outlined in the matrix, indicate this diversity.

Through the detailed examination of 52 LLMPs, the conclusion drawn by the evaluators is that every type of project is eligible to receive funds under this program, from one designed to build a ship, to one that determines local economic opportunities, to one that reallocates government funds from one department (or level of government) to another.

In the case of REDBs, needs assessments are completed as part of the Board work plans and reviewed each year under the annual renewal process. This process involves officials from ACOA, HRDC and DDRR. While the projects may, in fact, contribute to economic development, or clearing of the labour market, the means and methods to tell if each is the most productive way to do so is unclear in reviewing the projects. Were there an up-front needs assessment of a particular area attached to each project review, then the projects could be evaluated on the basis of whether or not they efficiently achieve regional goals.

Who are the partners involved in LLMP?

Every type of organization is involved as a partner in an LLMP, including local authorities, federal and provincial departments, non-profit organizations, community groups, co-operatives, marketing boards, educational institutions and private enterprises.

How have the level of funding and the type of projects and sponsors changed?

HRDC and LMDA partners who were interviewed explained several ways in which types of projects and sponsors have changed, especially related to pre and post LMDA start-up. All agreed that project proposals are now more partnership and regionally oriented and that zonal boards are increasingly influencing the direction of the regions. Most partners observed greater effort and emphasis being placed on linking strategies with skilled personnel to create long-term economic developments, which would, in turn, create long-term jobs. Several partners recognized that proposals now had more substance and that the increased coordination between HRE and HRDC had resulted in funding being directed towards solving "real" regional problems. A few partners observed that the type of projects approved had not changed over the years, tourism and economic development were still the prevalent proposals submitted under LLMP.

3.3.2 Individuals Employed by LLMP Projects

To what extent are unemployed individuals directly or indirectly served by LLMP?

This varies considerably, although in some cases several unemployed individuals were hired directly by the projects. With respect to indirect benefits, nearly all projects claim that they will eventually serve unemployed individuals through, at the least, the identification of economic opportunities or the general facilitation of economic development. In this climate of improved economic opportunities, the projects hope that it would then be the private sector which would take advantage of proponents sector or project identification by spawning new ventures or increasing interest in established enterprises.

Most projects report serving the community at large, and many purport to stimulate employment in the long term. Many projects anticipate creating new job opportunities in the area, hence benefiting those currently depending on Employment Insurance. For the most part, however, a direct relationship between projects and the hiring of unemployed individuals cannot be drawn with the exception of pan-provincial projects.

What proportion are EI clients, reachback and SAR reachback or non-EI clients?

Most project co-ordinators were unable to answer this question, except to recall what the status of those employed *directly* by the project (as a coordinator, marketer, builder, etc.) had been prior to project activities. The matrix details the status of all those employed by projects.

What are the short-term outputs?

The short-term outputs are often well defined, but their variety defy generalization across the LLMP program. The identified deliverables of the project may be a construction project, a standardization initiative, a training program, or feasibility study. Most project contacts reported that outputs met or exceeded initial project objectives.

What are the long-term outcomes?

The vast majority of project proponents claim that the long-term outcome of their particular project is the general support of economic development, but that such a contribution is difficult to quantify and the time frame is long.

3.3.3 Objectives

What are the objectives of individual LLMPs?

Most projects have a short-term or direct objective (complete a report, build a walking trail, certify workers, publish a brochure) and a longer-term or indirect objective (facilitate economic development). The matrix details the objectives of each LLMP studied.

How are objectives established?

The project proponent usually establishes objectives, often in co-ordination with a local development or zonal plan. A project (or projects) is most often conceived and executed through the energy and dedication of one or several proponents who perceive a need and sustain the energy required to assemble funding and proceed with the project.

Once determined, objectives of individual LLMPs are brought to the local LMDA review committees. These are then coordinated with zonal board priorities through the zonal board representative who sits on the committee and with the HRDC business plan, which is coordinated through the HRCC representative. If a proposal does not fit with either plan, a strong case has to be made by the proponent. Nonetheless, a degree of personal bias creeps in and a few LMDA partners noted that policy was not always followed.

To what extent do LLMP meet local labour force priorities, planning and decision making?

Many of the LLMPs meet local labour force priorities, planning and decision-making, as determined by zonal board strategic plans and the HRCC business plans, through the general categories of "general promotion" or "support of regional economic development".

There is some coordination and consultation with the various LMDA partners in determining these priorities. However, some LMDA partners suggested that these plans are not always consistent with economic realities. As an example, a significant number of partners suggested that the number of tourism related projects could not be sustained economically, despite being regional priorities. Some concern was also expressed that many projects were automatically renewed, especially those related to zonal board funding for staff sector specialists. Furthermore, some concern was registered by a few zonal boards and HRDC staff that some zonal boards themselves were creating mini levels of government by excessively using LLMPs to staff their offices rather than facilitating non-profit and business projects and programs which would create direct employment. Finally, partner agencies did not have a feedback mechanism to determine whether projects actually provided valuable work experience.

3.3.4 Costs and Responsibilities

How are sharing of costs, mandate, mutual responsibilities and accountability for results determined?

Since the inception of LMDA, emphasis has been placed on partnership arrangements. For many LLMP funded projects, members of the partner government agencies sit on the project proponent's Board or Advisory Committee. In the case of zonal boards, which receive a significant portion of LLMP funding, a board member sits on regional LMDA committees. In this way, mandates, goals and mutual responsibilities for projects and regions are discussed and determined as well as project funding.

Examples of where partnerships have worked well are numerous. For one pan provincial project, the coordinator stated that some of the real issues of the project would not have been understood without government at the table. Furthermore, the HRCC staff person on the project study committee provided continuous and invaluable input. Several zonal board executive directors gave examples of HRCC previously preparing business plans for a region without consulting with the boards' members who understood the regional economic development needs. Now some of the zonal boards are asked to write economic development sections of the plan and are also given a draft of the complete plan for review. One zonal board executive director summed it up by stating that the key to moving a region forward was good partnerships, especially with HRCCs. All LLMP project respondents stated that good relationships with partners were key in determining and achieving mutual responsibilities, mandates and accountability as well as costs.

Are partners satisfied with this process?

Without exception, project contacts expressed satisfaction with the LLMP program; if there was a complaint, it was one of bureaucratic requirements attached to the funding (paperwork, schedule). These comments were minimal.

3.3.5 Best Practices and Economic Theory

To what extent do initiatives align with best practices in their respective areas or economic theory resulting in the effective clearing of the labour market?

For this report, the literature on best practices for regional economic development and labour market clearing was culled to assemble a list of best practice principles. This list was condensed to eight key points;[18] the matrix in Appendix E uses this list to identify those project proponents who employed the relevant best practices. Appendix C provides the full list of best practices. Most projects were in line with at least two of the eight key points of best practices. It should be noted that few project proponents used a formal best

[18] See Section 3.4 for a listing of the eight key points.

practices approach in project identification or execution, although many did so informally.

3.3.6 Government Coordination

Are Federal and Provincial monies co-ordinated to better meet the needs of communities? Are Government services more complementary with each other compared to pre-LMDA?

According to interviews with HRCC staff, LMDA partners (both federal and provincial) and project sponsors, coordination has improved between federal and provincial partners since the inception of LMDA. Both levels of government are now aware of each other's priorities and are moving in the same direction with regard to policies and planning. The partners' regular monthly meetings are aiding this process.

However, both levels of government cited a variety of difficulties at the regional level including the process being more time consuming; more bureaucratic; far slower than previously, particularly in advancing projects; more prone to personal agendas and trivial details and, in some cases, not in the best interest of the client. Although HRCC offices appear to value their provincial partners, some provincial partners commented that HRDC undervalued their input. Nonetheless, the provincial partners acknowledged that the coordination process was improving and, in some cases, felt that HRDC understood the process and its outcomes better than some other federal agencies. It should also be noted that both regional HRCC offices and their provincial government counterparts felt that cooperation was more effective at the regional than at the provincial level.

Sponsors and coordinators of projects felt that the partnership approach brought the appropriate groups and agencies to the table. Most project sponsors felt that the coordinated approach for the LMDA was better than the previous Strategic Regional Diversification Agreement (SRDA). However, they also cited approval delays; in some cases, a lack of understanding of how the coordinated approach worked and minimal recognition of partners other than HRDC. In the case of pan-provincial projects, several groups suggested that better coordination between the head and regional offices of all agencies was required.

3.3.7 Economic Goals

How does LLMP support the economic and/or social agenda of the province?

LLMP supports the economic agenda of the province by promoting regional economic development most relevant to the particular region; the social agenda is more subtle, with fewer projects overtly giving it consideration, except through the general promotion of employment and those projects addressing gaps in the health sector. A handful of projects

are dedicated specifically to social issues, including those removing barriers for women, and promoting increased Aboriginal employment.

Many projects are directly related to either the development of tourism facilities or infrastructure, or the promotion of existing tourism attractions. Tourism is seen by each of these projects as a sound basis upon which to foster economic development, and, hence, is in direct support of the economic agenda of the province. Other projects are similarly structured (though not focused on tourism), by promoting economic areas or industries suitable to the area. Many project co-ordinators see the direct economic benefit that comes from project-related employment, or the indirect economic benefit of encouraging conditions conducive to future employment increases, as improving the social agenda of the province. This is further evidenced by project coordinators and sponsors reporting a general improvement in feelings of community self-worth rooted in project activities.

Various projects have married tourism opportunities with culture and/or recreation -- nature trail development, rails-to-trails, replica of the ship, *the Matthew*, marketing of the Festival Coast -- and hence have combined economic with social benefits. Proponents of such projects are proud to emphasize the appropriate nature of such developments.

3.4 Best Practices

Current theory regarding best practices for community economic development and labour market clearing was reviewed to evaluate their application to the LLMP projects.

3.4.1 Significant Best Practices

While a full list of best practices is provided in Appendix D, a selection of those most relevant is presented here. To each is assigned a roman numeral. In the LLMP Best Practices Matrix Summary,[19] the matrix column entitled 'best practices' then uses this code to illustrate which concepts, if any, have been employed.

I. **Inventory:** Mapping completely the capacities and assets of individuals, citizens' associations and local institutions.

II. **Resource efficiency:** Use strategic planning or other efforts to maximize the use of their limited time and resources in those areas that will yield the greatest strategic benefits.

III. **Consultation:** Encourages the active participation of all members of the community in the planning, decision-making and benefits of community economic development initiatives, and works to remove the barriers that limit the participation of marginalized citizens (e.g., women, youth, seniors, differently-abled people, racial/ethnic groups, the poor, and First Nations people).

[19] See Appendix E

May include workshops, seminars, roundtable and focus group meetings on topics related to economic development.

IV. **Appropriate:** Contributes to self-reliance by encouraging economic activities that are diverse, responsive and appropriate to the expressed needs within the community and region.

V. **Clarity:** Initiatives have clear vision and mission such as lowering the rate of unemployment rather than broad "healthy community" objectives.

VI. **Entrepreneurial:** Support the development of an entrepreneurial and investment climate thereby supporting the creation of new and additional employment opportunities.

VII. **Development Strategy:** Develop and facilitate, in consultation with stakeholders, sound economic development strategies that will ensure the long term economic development and viability of the region.

VIII. **Training:** Fostering a skilled and productive workforce by providing training that meets the needs of the economy, addressing skill shortages, investing in learning, and using technology to deliver training.

3.4.2 Project Type:

1. Identify labour market needs;
2. Identify the strengths of the community;
3. Work with economic development efforts;
4. Build and support a self-sufficient community;
5. Develop a local continuum of service;
6. Develop an overall community business plan/ strategy; and,
7. Help businesses set up an Industrial Adjustment Committee to help employees at risk of losing their jobs.

Although all eight "best practices" were represented in the 52 LLMP case studies, three were most commonly employed. In order of most often employed, they were:

- **Training**
- **Appropriate** economic activities to the expressed needs within the community and region, and
- **Resource efficiency** through the use of strategic planning to maximize the use of limited time and resources that will yield the greatest strategic benefits.

In order of least commonly employed, the best practices were:

- **Clarity** in terms of initiatives or projects having a clear vision and mission such as lowering the rate of unemployment rather than broad "healthy community" objectives.

- **Development strategy** which will help ensure long term economic development and viability of the region, and

- **Consultation** which encourages active participation of all members of the community in the planning, decision-making and benefits of CED initiatives.

In this evaluation relevant best practice criteria were applied to the 52 LLMP case studies. The results indicate that training is the most consistently used best practice within these 52 LLMP case studies. In addition, project proponents of these 52 case studies understand the difficulty in stating or meeting specific objectives such as "lowering the unemployment rate", but understand the need for, or are more comfortable in meeting, more qualitative objectives such as "contributing to self-reliance."

It should be pointed out that in the 52 LLMP case studies, the three most commonly applied best practices were frequently applied (21 times, 18 and 16), whereas the three least commonly applied best practices (7 times, 9, and 10) were close in usage to the two average applied (11 times and 12) best practices.[20] Therefore, training, appropriate economic activities and resource efficiency were significant best practices that were applied to LLMP projects.

In terms of the 52 case studies' project types, by and large the most significant were those which worked with economic development efforts. Two project types were a distant second: those that identified labour market needs and those that developed an overall community business plan/strategy. Only a few case studies identified the strengths of the community, built and supported a self-sufficient community or developed a local continuum of service. No LLMP case study project type helped a business set up an Industrial Adjustment Committee to help employees at risk of losing their jobs.

3.4.3 *Employment Categories: (status of project employees and those indirectly affected by project* prior to *project start-up)*

A. Employed elsewhere
B. Employed within organization
C. Unemployed or underemployed, non-EI or social assistance
D. Unemployed, EI, social assistance

[20] The total number of best practices exceeds 50 as some projects applied more than one best practice in their project.

As for employment categories (e.g. status of project employees and those indirectly affected by the project prior to start-up) for the 52 case studies, most were unknown. Of those individuals whose employment history was known, the majority were employed elsewhere at the project start up or were unemployed, on EI or social assistance. Only a few were underemployed, non-EI or non-social assistance or employed within the organization.

3.5 LLMP Observations

Outlined below are some general observations regarding some of the LLMP projects that were reviewed.

3.5.1 Pan Provincial

Several of the pan provincial regional economic development projects are tourism/recreation related, the result of previous tourism strategies or focused on specific projects within a tourism sector (e.g. the Trailway, snowmobiling, Special Celebrations). Because they are province-wide projects and are creating a product and/or infrastructure for tourism/recreation, they employ significantly more people than a regional project and have, in some cases, a greater direct provincial and regional impact than regional projects.

Because, in many cases, these pan provincial projects are building outdoor infrastructure necessary to attract and retain tourists (e.g. snowmobile trails, the Trailway), they and their associated jobs most likely could not be developed and sustained by the private sector. They also do not result in on-going direct employment, as the construction of infrastructure, by its very nature, is a one-time event. Therefore, these projects do not result in government dependency. It should be noted, however, that province wide infrastructure does require on-going operations and maintenance.

Many of the pan provincial projects require unskilled and semiskilled employees and provide some skills transference (e.g. Special Celebrations Agency staff learned both tangible skills (events management, lighting, electrical, stage management, protocol) and intangible skills (team work, discipline, professionalism, etc). Trailway and snowmobile staff learned provincial standards of trail development. Therefore, despite their short-term nature, some of these pan provincial projects provide enough skills and on-the-job experience to help those employed on these projects to obtain long term employment. A case in point is the six Special Celebrations' employees who obtained full-time work in government after completion of the project.

Because these projects are a result of a previous strategy, they are coordinated throughout all regions and have clear focuses, objectives and outcomes. In terms of lasting infrastructure and skills transference, the project coordinators felt they were an improvement to the previous short-term community "make work" projects, which were, by and large, not based on a previous strategy or clearly articulated goals and objectives.

Therefore, if the aim of LMDA and LLMP funded projects is to serve EI clients, reach back or SAR and help them obtain full-time employment, a majority of pan provincial projects do achieve that purpose and the projects obtain immediate and measurable results.

3.5.2 Regional Projects

Many regional LLMP projects are the result of zonal board initiatives. Still in relative infancy, these boards develop strategies, identify growth sectors and explore their region's economic potential.

Boards do not receive "core" funding from the LMDA. The REDBS obtain core operational funding from the Comprehensive Economic Development Agreement (CEDA) which enables REDBS to maintain a "storefront operation" with two to three staff and appropriate funding to carry out their operational activities. The funding they receive from LMDA is project specific and enables them to implement the strategies and sectoral development activities outlined in their annual workplans which have been developed in consultation with DDRR, HRDC, ACOA and other relevant agencies.

The difference between pre and post LMDA is that specialists (e.g. IT, business, tourism, fisheries, etc.) have replaced generalists (e.g. community developers). Depending on the sectors identified through the regional strategies and the leadership and energy of the Boards and their Executive Directors, the zonal boards have hired from one to eight specialists. While creating jobs, it also has created a dependency on LLMP to provide on-going funding for these positions.

Thus, in terms of direct job creation, few have been created in the regions due to the relative infancy of the zonal boards. It takes considerable time and planning to successfully create a positive economic climate and this is where LLMP has made its greatest contribution.

LLMP provides a flexible mechanism for the hiring of specialists to strengthen a particular sector. The reality is that through LLMP, more, rather than less, economic development related personnel might now be in the field. This is only a negative if one of the intentions of the creation of zonal boards was to reduce the number of economic development staff throughout the province. However, provincial policy clearly indicates that the purpose for the creation of the zone boards is to coordinate economic development activity in each of the zones.

Some zonal board executive directors suggested that the ideal situation would be the provision of a specialist to determine the actual growth potential of a sector previously identified by the zonal board strategy. If a positive potential could be measured, on-going funding for more than two years might be considered.

Executive Directors and coordinators who were interviewed for this evaluation liked the flexibility of LMDA as well as LLMP. A few of them acknowledged that HRDC is critical to the "growth and development" of rural Newfoundland because it is "the only game in town" to which the zonal boards can apply for supplementary funding. However, this, in itself, can create a high level of dependency.

4. Conclusion

The overriding objective of the evaluation of the Support Measures (EAS and LLMP) is to provide relevant decision-making information for the LMDA Management Committee for use in formulating policies and providing direction as well as a decision-making tool for the regional LMDA managers. The report will also provide accurate information as input to the parliamentary monitoring and assessment report for fiscal 2000/01.

This conclusion provides a summary of the various perceptions collected through personal interviews with key informants, an extensive telephone survey with EAS clients, focus groups with EAS clients, EAS and LLMP case studies, and based on information provided in the body of the report.

4.1 EAS

Approximately 50 EAS offices provide full third party outreach services to the population of Newfoundland and Labrador. The majority of these offices provide employment-assisted services to the general unemployed public; some provide services to clients with special needs. In general, the outreach offices, as now constructed and administered, provide a valuable effective service to both rural and urban residents of Newfoundland and Labrador who are unemployed. The outreach counselors are knowledgeable, sympathetic and effective. Any shortcomings on their part, in general, are perceived to be a result of an inability to help the client achieve the end-result, a job, due to lack of employment opportunities in the region. In other words, these shortcomings are not a result of the means to help provide access to a variety of human resource services. The most commonly heard comments regarding EAS service was that the counselor had helped the client gain a sense of self-worth and was "there for the client every step of the way". While difficult to quantify, this positive attitude is critical in helping clients make difficult career and life decisions.

A number of observations regarding EAS can be made which may help in decision making and policy formulation.

- In general, the greater the distance and isolation from an urban centre, the more dependent is the client and community on the EAS outreach office. A corollary to this is the greater the distance and isolation from an urban centre, the broader the services of the EAS outreach office.

- Co-locating, where it exists, has broken down barriers among agencies, provided better "one-stop" human resource services and is more client focused.

- In general, sponsors in rural areas have little in common or little interaction with the EAS offices, which serve the general population, other than through their role as administrators of wages and benefits. Although EAS outreach staff, for the most part, do not see this as an issue, several commented on "the lack of synergy" between the

sponsor and the outreach office. Opportunity may exist for the EAS outreach staff to be better managed or, at least, for the two parties to effectively interact on a more regular basis.

- Sponsors of EAS outreach offices directed at a client base with special needs have greater interaction with the EAS outreach offices and provide greater support to those offices than sponsors of EAS outreach offices, which serve the general population.

- Sponsors in urban areas have greater interaction with their EAS outreach offices and provide greater support than those in rural areas.

- Inconsistency exists as to the administrative identity and structure of EAS offices. This causes some confusion among EAS outreach workers and some of their clients as to the role and function of EAS outreach offices. Some offices are not associated with HRDC and have their own distinct identity. Others resemble a storefront version of HRDC and clients as well as employees have difficulty distinguishing between HRDC and EAS outreach offices. Other EAS outreach offices exist somewhere in between with no clear identity. This causes confusion for the client in terms of the types of services that can be provided by the EAS outreach office. For those offices that resemble HRDC offices, some clients assume that these offices deliver HRDC policies and programs.

- CATS is an effective management tool in terms of tracking quantitative information, but it has not been used for quantifying goals or objectives. Much of the success of EAS outreach offices is through its qualitative client services, which cannot be captured except through an evaluation such as this. Given that CATS is solely a tracking system, its effectiveness could be improved by sufficient training of officers to ensure consistency in interpreting CATS output. Assessment of single offices is possible using the system, but inter-office comparisons are difficult given the nature of the data. Longitudinal assessment of single offices may also be problematic since personnel changes over time could change the approach to entering data, thereby making comparisons difficult.

- Many contractors believe that CATS is of limited value in assessing the progress of all clients, but it is particularly inadequate in assessing the progress of the disabled. It is not designed with the challenges facing such individuals in mind. Furthermore, some contractors believe that any third-party reading of the data would be misinterpreted and, consequently, they do not use the system.

- Federal and provincial coordination in terms of regional priorities, policies and decision making has improved, although some provincial departments feel that their issues and concerns go unheeded.

- Those clients who favourably view the EAS outreach offices' approach of using action plans, see it as an effective tool in helping them start their decision making process.

- Most EAS outreach clients who were interviewed for this evaluation expressed satisfaction with the job search centres.

- Moderate need clients tended to have attained a higher educational level than case managed clients and more moderate need clients felt comfortable with and used computers more in their job search than did case managed clients. However, some case managed clients had become familiar with computers as a result of the EAS outreach office, which is a positive unintended outcome.

- Of the case managed clients who were surveyed, the services most frequently used, in order of usage, were information on financial assistance and post-secondary education/training programs, followed by job search/interview techniques, employment and career counseling and resume and cover letter application. Among this interview group, the top ranked services received were: information on training and education programs, career counseling and job bank kiosks/job postings. Of the moderate need clients, the services most frequently used, in order of usage, were information on financial assistance, resume and cover letter application, and job search/interview techniques. Among this interview group, the top ranked services received were: Internet job listings, career counseling and information on training and education programs.

- The least valuable services, as reported by the EAS clients who were surveyed, were workshops on job search skills and job finding clubs.

- Many clients viewed the location of the EAS outreach offices as positive stating that they would not have made the effort to drive/fly to a HRCC office unless it was critical. A corollary to this is that many EAS clients would not make the effort to drive/fly to a HRCC office because they felt unwelcome once there. Thus, EAS outreach clients said they are being more effectively and efficiently served by EAS outreach offices than previously because of its convenient location and quality of service.

- EAS outreach clients who attended the focus groups felt that the EAS offices were not properly marketed and, therefore, not penetrating the regions to the degree that they could or should be.

- Although the client base of many EAS outreach offices was originally fisheries related, it has changed during the last few years to capture a broader spectrum which includes services and construction. Although the information is qualitative, EAS outreach workers who were interviewed for this evaluation stated they are seeing a greater number of younger clients.

- The contracts between EAS outreach offices and the HRCCs appear to be fairly generic. If the focus of the EAS outreach offices is to change in any way, the contracts should perhaps specify the nature and extent of the services to be provided by the EAS outreach offices.

- Rural EAS outreach clients generally are being directed to activities which make them more employable. However, the big gap in rural Newfoundland and Labrador is employment opportunities. This results in EAS outreach clients securing skills that may provide them with a better chance of obtaining jobs elsewhere.

4.2 LLMP

Of the more than 500 projects that have been funded through LLMP, 52 were profiled for this evaluation. Activities undertaken as part of the LLMP vary widely. This is partially a result of the flexibility of the LLMP criteria. Therefore, it is difficult to judge individual LLMPs using a standardized format. However, in general, LLMP project proponents cited flexible guidelines as the most positive feature of the program. Projects and programs previously ineligible for funding by government programs, but necessary in achieving long term economic development goals, were eligible under the LLMP guidelines.

A number of observations about LLMP projects can be made which may help in decision making and policy formulation:

- Generally, pan provincial projects provide direct and immediate short-term employment.

- By and large, pan provincial projects are better focused, coordinated and skills enhancing than previous "make work" type projects.

- Many pan provincial projects tie communities together, but because of the diverse and large geographic area that these projects cover, they take longer to start up and implement than regional projects and, therefore, need more time, guidance, flexibility and long-term funding.

- The need in rural Newfoundland and Labrador is for long-term community economic development initiatives and the creation of a positive economic climate, both of which generally take eight to ten years to plan, implement and generate results. Therefore, many regional project initiatives are not likely to create immediate employment.

- Projects are generally based on established zonal board strategic plans and HRCC business plans and are coordinated through the LMDA partners' meetings. This helps ensure that projects meet regional economic development interests. However, there appears to be an imbalance in favour of long-term economic development needs to immediate employment creation. This, however, may be due to the relative infancy of zonal boards or, more likely, the state of the economy or the business sector in a region.

- An effective balance is needed between pan provincial and regional initiatives in order to address and integrate different economic development approaches (e.g. projects resulting in short-term as well as long term employment opportunities).

- Zonal boards have extensively used LLMP to obtain resources, primarily staff, to undertake projects that are outside of their normal capacity. Depending on the size of the board and its activities, there is a concern that a dependency on LLMP could be created as a result.

- Some zonal boards have minimal staff and projects, thereby creating inconsistency in regional development. This may be a result of some boards being more energetic than others in pursuing initiatives or it may be a result of fewer genuine opportunities within some regions.

- The flexibility of LLMP criteria allows for extra funding beyond the zonal boards' core funding. Without that funding, zonal boards would have difficulty providing their present level of service as many volunteers have neither the time nor expertise to carry out the duties of key zonal board personnel.

- Because of the greater geographic scope of zonal boards compared with previous development associations, economic development is being undertaken on a sector approach rather than on a more generic community development approach. This has resulted in zonal boards hiring technical experts rather than community development generalists. In general, this has been seen as a positive direction by the zonal boards and demonstrates a maturation process in economic development throughout rural Newfoundland and Labrador. However, depending on the region and its state of maturation, there still may be a need for on-going basic community economic development.

- Many project sponsors and zonal board executive directors remarked on the changing economic development approach in rural Newfoundland and Labrador. Previously, organizations and individuals looked to government for money, now they are looking for technical support and strengthening partnerships to undertake projects together.

- Little recognition exists by LLMP project proponents at the delivery level that HRE and other provincial government departments are partners with HRDC. HRE has a low to non-existent profile.

- The partner approach works well in terms of coordinating regional and provincial priorities. However, a trade-off sometimes occurs between coordination and fast and efficient client service. Coordination takes time and effort, which sometimes diminishes the partners' ability to provide fast efficient service.

- A number of regional economic development projects are tourism related. It may be questionable as to whether all regions can support the degree of infrastructure and effort that is now being directed at this sector. Greater emphasis should perhaps be placed on identifying other sectors of growth.

- Although regional autonomy is important, effort needs to be directed at communicating regional strategies that are linked together so as to avoid unnecessary duplication of infrastructure or projects among regions.

- A majority of LLMP case studies used best practices as they relate to training, strategic plans and appropriate economic development activities for a region. However, only a few of the case studies used best practices as they relate to specific measurable goals, a developmental strategy or stakeholder consultation. A slightly better balance may be warranted.

- A significant number of LLMP case studies concerned projects that were directed at economic development activities. Very few of the project types identified the strengths of the community, built or supported a self-sufficient community or developed a local continuum of service. Given the economic development nature of LLMPs, this imbalance is neither surprising nor cause for concern.

Respectfully Submitted,

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